

COUNTY OF CHARLESTON, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008

with

REPORT OF INDEPENDENT AUDITORS



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INTRODUCTORY SECTION





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January 9, 2008

To the members of County Council and the citizens of Charleston County, South Carolina:

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Charleston County, South Carolina, for the fiscal year ending June 30, 2008.

This report consists of management's representations concerning the finances of Charleston County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government agency's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Charleston County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and beliefs, this financial report is complete and reliable in all material aspects.

Charleston County's financial statements have been audited by Scott McElveen, L.L.P, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Charleston County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Charleston County was part of a broader, federally mandated "Single Audit" that is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Charleston County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement, and should be read in conjunction with MD&A. Charleston County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The County of Charleston was established by the state of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government. Policy-making and legislative authority is vested in a governing council consisting of nine Council members. The Council is elected on a partisan basis. During the November 2006 election Council finished the conversion from all members being elected at large to single-member district elections. Six seats were converted in the November, 2004 election and the final three seats were converted in the November, 2006 election.

Charleston County Council is responsible for, among other duties, passing ordinances and policies, approving the budget, appointing committee members, and hiring the County's Administrator, Internal Auditor and Attorney. The Administrator is responsible for enforcing the policies and ordinances of the governing council, overseeing the day-to-day operations of the government services and its approximately 2,300 employees, and for appointing the heads of the various County departments.

Charleston County, under a Council-Administrator form of government, provides a broad range of services that include:

- Public safety - countywide law enforcement (Sheriff's Office), detention facilities, emergency preparedness plans to include activation of the County's Emergency Operations Center in an event of a disaster, as well as fire protection in the Awendaw Consolidated Fire District, the East Cooper Fire District, the West St. Andrew's Fire District, and Northern Charleston County Fire District
- Veterans' assistance
- Health-related assistance - Emergency Medical Services (EMS), alcohol and other drug abuse services, indigent health care, and social services
- Voter registration
- Street and drainage maintenance
- Waste disposal and recycling
- Planning and zoning administration
- Criminal, civil, probate, and family court administration
- Public defender assistance
- Tax billing, collection, and dispersal to appropriate entities/municipalities
- Mosquito control

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Charleston Public Facilities Corporation has been shown in the government-wide statements in both the government and business-type activities, as appropriate. It is also shown in the fund financial statements in the debt service and capital project governmental funds, and in the parking garages and other enterprise funds. Charleston Development Corporation has been shown in the government-wide statements in the governmental activities, and in the fund financial statements in other governmental funds.

Discretely presented component units are reported in a separate column in the statement of net assets and in the statement of activities in order to emphasize that they are legally separate from the primary government, and to differentiate their financial position and results of operations from those of the primary government.

The following entities are being reported as discretely presented component units:

- Charleston County Library (CCL)
- Charleston County Park and Recreation Commission (CCPRC)
- Cooper River Park and Playground Commission (CRPPC)
- James Island Public Service District (JIPSD)
- North Charleston District (NCD)
- St. Andrew's Parish Parks and Playground Commission (SAPPPC)
- St. John's Fire District (SJFD)
- St. Paul's Fire District (SPFD)

Charleston County Volunteer Rescue Squad (CCVRS)

Additional information on these nine legally separate entities can be found in Note I.B. in the notes to the financial statements starting on Page 64.

The annual budget serves as the foundation for Charleston County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the County Administrator by March 15 each year. The County's Budget Office uses these requests as the starting point for developing a proposed budget for the next fiscal year. The County Administrator presents the proposed budget to County Council for review during May. Council is required to hold public hearings on the proposed budget, and to adopt a final budget each year no later than June 30, which is the close of Charleston County's fiscal year. The appropriated budget is prepared by fund, function (public safety), and department (Sheriff's Office).

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document and are subject to approval by the County Administrator. The County Administrator has the authority to make transfers between major expenditure categories within departments and between departments within the same fund. The Administrator has further delegated to the Chief Deputy Administrator/CFO, the Deputy Administrator for Support, the Deputy Administrator for Operations, and the Deputy Administrator for Transportation Sales Tax the authority to transfer between departments under their authority. The budget ordinance must be amended by County Council to effect changes in fund totals.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General fund, this comparison is presented on Pages 47-49 as part of the basic financial statements for the governmental funds. For governmental funds, other than the General fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which begins on Page 137.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Charleston's Economy at a Glance. Charleston County's economic base is diversified and growing. The economy has gone through a significant shift in the past two decades from a military dependent economy to a more diversified economy that is stimulated by four distinct economic engines:

- The tourism industry, experiencing quantum growth in recent years, expanding the tourist season to be virtually year-round.
- The Port of Charleston, fueling the manufacturing and supply chain sectors in Charleston, statewide, and around the nation.

- The medical industry, focused around the Medical University of South Carolina (MUSC), the State's teaching hospital.
- The military, with significant Air Force, Navy, Army, and Coast Guard facilities in Charleston.

The history, quality of life, and culture of the area have also continued to attract new residents, which has in turn encouraged the real estate and development industries.

Biotech research at MUSC has generated many new emerging technology companies in the area and key federal and state research institutions. These new facilities are: NOAA Southeast Coastal Center, the Hollings Marine Laboratory, and the Clemson University Extension Vegetable Research Center have propelled Charleston County into a bustling and varied research hub.

Recent Economic Indicators. General economic indicators for 2007 were reported by the Charleston Metro Chamber Economic Outlook Board in March of 2008. Highlights are as follows:

Population-

The Charleston metro area population increased by over 8 percent, 506,875 to 549,033 persons, in the decade from 1990 to 2000. The U.S. Census Bureau estimates the 2007 population in the metro area to be 630,100, meaning that the percentage growth from 2000 to 2007 has been 14.8 percent. The percentage growth is significant as it surpasses the State of South Carolina's growth (9.9 percent) and the United State's growth (7.2 percent) during the same period.

Labor Force & Employment-

Since the Naval Base closed in 1995, the civilian labor force in the Charleston region has grown by almost 28 percent, from 245,940 to 314,960 persons as of 2007. The Metro Chamber of Commerce's Economic Outlook Board reported that total employment grew by 10,045 jobs in 2007, for an increase of 3.5 percent, which is three times the national average (1.1 percent). Labor force and employment are forecasted to grow at an average of just under 1 percent in 2008 and then expand by 1.2 percent in 2009, keeping the unemployment rate stable between 4.5-4.6 percent. As of May 2008, the Charleston region is experiencing 4.6 percent unemployment, compared to the state of South Carolina at 6.1 percent.

Housing-

A total of 6,753 new residential permits were issued in the Charleston region in 2007, which was a decline of 25.6 percent from the previous year. The average sales price of all homes sold increased from \$291,056 in 2006 to \$300,446 in 2007 – a 3.2 percent increase.

Retail Sales-

Total retail sales for the Charleston area grew 2.5 percent in 2007, topping \$18.6 billion with \$13 billion of that total being spent in Charleston County. The Tanger Outlet Mall/Centre Point development in North Charleston continued to expand in 2007 and 2008, with several new retail businesses opening.

Visitor Industry-

The Charleston region attracted over 4.3 million visitors in 2007, generating an economic impact of \$5.3 billion. Hotel occupancy rates were 73.5 percent for the year, and the average daily rate for lodging increased 8 percent from 2006 up to \$150.47 per night. Attendance rates at area attractions have remained flat over the past few years as the profile of visitors to the Charleston region has shifted. Many of the region's visitors are now largely repeat visitors coming to shop and dine in the area several times a year.



Port Activity-

In 2007, the Port of Charleston was ranked fourth on the list of busiest U.S. East Coast container ports. It is consistently recognized as one of the nation's most efficient and productive ports. In 2007, the Port of Charleston handled 1.75 million TEUs (twenty foot equivalent cargo containers). The Charleston break-bulk cargo totaled 646,000 tons. Port activity is expected to rise over the next decade, largely due to the new container terminal currently under construction on the former Navy base. Site preparation associated with the new 280-acre terminal is currently underway. The terminal is expected to open in 2014 and, at build out, will increase

Charleston's total container capacity by 50 percent. In addition, a new 25-acre yard will open at the Wando Welch Terminal by the end of 2008, representing a 10 percent capacity increase for the terminal.

Airport Activity-

Total passenger activity at the Charleston International Airport increased by over 20 percent in 2007, largely thanks to the arrival of low cost carrier AirTran Airways. Total passenger traffic increased on all airlines as a result of the lower fares. Average one way fares declined by 20 percent, saving Charleston air travelers an estimated \$70-80 million.

BRIEF SECTOR PROFILES

Visitor Industry. Tourism has long been an economic mainstay in one of America's most photogenic and historic cities. In the 1990's this sector soared, recording visitation and earnings once thought impossible. Charleston recorded 4.3 million visitors in 2007, providing an economic impact of \$5.3 billion to the local economy. The hospitality industry directly employs 36,700 people in Charleston County, accounting for 12.3 percent of the workforce. When direct and indirect employment from the hospitality industry is combined, the total employed balloons to over 50,000.

Charleston hoteliers have widely expanded the regional room inventory and range of choices in the past decade. Current regional inventory of hotel rooms stood at 16,669 at the end of 2007, with 14,938 of those rooms located in Charleston County. The hotel industry has not only seen growth in the number of available rooms, but is also seeing an increase in occupancy rates and average daily rates. Occupancy has risen significantly since the lower travel years following 9/11 terrorist attacks to its current average of 73.5 percent. The average daily rates have also steadily climbed to the current 2007 level of \$150.47 per night.

Complementing this lodging growth, in 1997 Charleston County partnered with the City of North Charleston on the \$37 million Charleston Area Convention Center Complex, which is made up of a 160,000 square foot convention facility, a Performing Arts Center, and a 14,000 seat coliseum. These facilities have been host to numerous high profile events including industry trade shows, conferences, Broadway plays, and concerts featuring Grammy Award-winning artists.

The past few years have seen the emergence of a new facet to Charleston's tourism market – the cruise ship industry. For many years ships made calls into the Charleston area sporadically, but the trend toward marketing to passengers within driving distance of smaller terminals has allowed Charleston to siphon off some of the lucrative business typically staged from Florida. The State Ports Authority (SPA) announced in November 2007 that it had signed a new contract with Norwegian Cruise Line that will bring 36 Norwegian ships to the Charleston port a year, which is an increase of nine ships over the previous season's totals. The agreement guarantees a minimum of 105,000 passengers, most of who will shop and dine in the Market Street area. The SPA predicts record-setting numbers this year for the fall through spring cruise season. Five other cruise lines are scheduled to visit Charleston as a port of call, though Norwegian is the only cruise line with an SPA contract.

Restaurants in Charleston multiply and flourish, nourished by a constant flow of aspiring and accomplished chefs coupled with an increasingly affluent Charleston visitor. *The New York Times*, *Southern Living*, *Bon Appetit*, and *Wine Spectator* have all praised area restaurants where seafood, nouvelle, and southern cooking predominate in the over 100 restaurants in downtown Charleston alone. The average Charleston visitor is well acquainted with these wonderful restaurants, as they spent an average of \$235 per day in 2007 on food, accommodations, local attractions, shopping, and other entertainment.

The Port. The Port of Charleston is currently ranked fourth as the busiest port of the U.S. East Coast, maintaining its 2006 ranking. Port volume is expected to increase in the coming years due to the 2007 announcement that the State Ports Authority (SPA) received permits for a new three-berth, 280-acre marine terminal at the former Charleston Naval Base. Work is already underway at the new facility and the first phase of the terminal is expected to open in six years.

The Charleston customs district ranks as the nation's sixth largest in dollar value of international shipments, with the Port of Charleston's cargo valued at more than \$60 billion annually. Top commodities that pass through Charleston docks include consumer goods, agricultural products, metals, machinery, vehicles, chemicals and clay products. Charleston's five port facilities, located close to the open ocean for fast turnarounds, consist of two container ports, two break-bulk ports, and one container and break-bulk port.

The \$148 million Charleston harbor deepening project completed in 2004 took the inner harbor channel to -45 feet at mean low water. With the completion of the Arthur Ravenel Bridge spanning the Cooper River, and with 186 feet of vertical clearance at mean high water, it allows Charleston to handle larger vessels under any tidal condition. The SPA's fiscal year 2008 capital improvement program calls for \$128.7 million in enhancements and equipment for new and existing facilities.



The Port of Charleston

The SPA, which operates the Port of Charleston, employs approximately 600 people. International trade through the SPA's facilities provides 260,800 jobs paying \$11.8 billion in wages to South Carolinians. In all, trade pumps \$44.8 billion into the state economy and generates \$1.5 billion in state and local taxes.

The Medical Industry. The region's medical industry is anchored by the State's teaching hospital, the Medical University of South Carolina (MUSC), and accounts for over 10 percent of the area's total employment. The majority of the employment currently exists in five private regional hospitals, MUSC, Charleston Memorial Hospital, and the Ralph H. Johnson VA Medical Center, along with the hundreds of general practitioners, dentists, and medical specialists in the region.

The center of energy in the region's medical arena is MUSC. It is made up of six colleges: College of Medicine, College of Pharmacy, College of Nursing, College of Graduate Studies, College of Dental Medicine, and College of Health Professions. These colleges give students a variety of options and gives the region a talented group of new medical professionals every year. Enrollment in the six colleges collectively stands at 2,537, with over 1,300 faculty members being employed. In fiscal year 2008, MUSC received \$200 million in research funding.

MUSC established one of the first infirmaries specifically for teaching purposes in 1834, which is now known as the MUSC Medical Center. This comprehensive facility is now comprised of three separate hospitals: the University Hospital, the Institute of Psychiatry, and the Children's Hospital. The Medical Center includes centers for specialized care: Heart Center, Transplantation Center, Hollings Cancer Center, Digestive Diseases Center, and Storm Eye Institute. Numerous outpatient facilities include the Family Medicine Center and affiliated faculty practice ambulatory care centers. Among the programs that have earned distinguished reputations at the Medical University of South Carolina are: neuroscience, substance abuse, cardiovascular medicine, drug sciences, prenatal medicine, ophthalmology, hearing loss, genetics, rheumatology, and cancer care.

In 2007, the MUSC Medical Center completed a 156 bed, 641,000 square foot expansion of its medical center. The new facility was named Ashley River Tower and is now home to the hospital's Heart & Vascular center as well as its Digestive Disease Center. Scheduled for completion over the next several years are the new James B. Edwards College of Dental Medicine Clinical Education Building and a new Bee Street Parking Garage. A Drug Discovery Building is already in the design phase, and approvals are expected soon for a Bioengineering Building in collaboration with the University of South Carolina and Clemson University.

Several of the private hospitals are also currently in a growth mode. Roper St. Francis Healthcare, a non-profit hospital group, broke ground on a new medical campus in the Mt. Pleasant area in May 2008. The 308,000 sq. ft., \$164 million campus will include a medical office building (90,000 sq. ft., \$21 million) and a state-of-the-art hospital (218,000 sq. ft. - \$143 million). The 85-bed full-service hospital expects to receive its first patients in November 2010. The hospital will include 24-hour Emergency Care, Women's Services including high tech and comfortable Labor & Delivery Suites, inpatient and outpatient surgery, Intensive and Critical Care Units, and imaging, laboratory and pharmacy. East Cooper Regional Medical Center is also building a new hospital in Mt. Pleasant to replace its existing facility. The new 250,000 sq. ft. hospital will cost \$160 million to build, and it will be equipped with 140 beds. Along with the additional bed space, the new hospital brings 200 more jobs in addition to the over 600 that East Cooper currently provides. It is expected to be completed in early 2010.

The Military. Despite the 1993 decision to close most of the Charleston Naval Complex, the military still makes a large annual economic impact in the Charleston region. There are 22,000 active-duty, reserve personnel, civilians, and civilian contractors employed in the region by the area's defense facilities. In total, the military provides an annual economic impact on the Charleston region estimated at \$3.4 billion.

The Charleston Air Force Base is home to 437th Airlift along with 6,150 (airbase) employees and over 50 C-17

aircraft. The C-17s are currently serving a vital supply role to the military in both Afghanistan and Iraq. The Charleston Naval Weapons Station is another of the larger military facilities in the area, employing 11,000 people in over 40 separate commands.

The Space and Naval Warfare Systems Center Charleston (SPAWAR) is a high technology, engineering facility that designs, builds, tests, fields, and supports the Navy as well as other federal customers. SPAWAR Charleston is responsible for integrating the Mine Resistant Ambush Protected (MRAP) vehicles that are used to protect the warfighters on the ground in Iraq and Afghanistan. MRAPs have a V-shaped hull that deflects bomb blasts and protects troops better than other military vehicles. MRAP vehicles are equipped with a full complement of command, control, computers, communication, intelligence, surveillance and reconnaissance systems by the SPAWAR Charleston employees. In August 2008, SPAWAR celebrated the integration of the 10,000th MRAP vehicle. The facility employs over 2,400 Civil Service employees with an average salary of \$75,678 and supports an estimated 80 local defense contractors operating in the region, which employ 9,000 contractor employees. SPAWAR's economic impact on Charleston's economy is estimated at \$1.5 billion.

Other facilities include the Nuclear Power Training Command and Nuclear Power Training Unit, which are both state-of-the-art nuclear power schools that graduate over 2,000 students each year. The Army's Combat Equipment Group Afloat and Surface Deployment Distribution Commands 841st Transportation Battalion both transport equipment to support the war efforts. The US Coast Guard and Federal Law Enforcement Training Center also operate facilities in the region.

Industrial and Service Companies. The Charleston region has experienced record levels of success in economic recruitment since 1995, when it commenced a unique tri-county collaborative industry recruitment program. Through the end of 2007, over \$2.67 billion in corporate and industrial capital investment was recorded and some 15,780 new primary jobs were created in Charleston County. Charleston has placed on the state's top performing counties list ten times. In 2007 the trend continued as the Charleston region was ranked 12th on the Milken Institute's "Best Performing Cities" list, with its job growth seven percent ahead of the U.S. average. The Best Performing Cities index ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The components include job, wage and salary and technology growth.

Pro-business government attitudes permeate through the State of South Carolina and the Charleston region, where state commerce department officials work hand-in-hand with economic developers from the Charleston Regional Development Alliance, Charleston County and its three largest municipalities: City of Charleston, City of North Charleston, and Town of Mt. Pleasant. This team searches out national and international business prospects, facilitating their relocations and expansions. State and local financial incentives are strategically utilized to leverage private sector relocation and expansion decisions. A key incentive among these is the customized, turn-key workforce training available from the state's Center for Accelerated Technology Training, the oldest and most well regarded program of its kind in the U.S.

Charleston County in 2004 embraced a recruitment strategy that centers on five key economic clusters:

- Aerospace and Aviation
- Automotive Manufacturing and Suppliers
- Biotech, Medical and Pharmaceutical Activities
- Information Technology and Advanced Security
- The Creative Cluster of Internet, Movie-Making, Architecture and Urban Design- Related Activities

Aerospace and Aviation-

Recently opened for business at the Charleston International Airport, the Vought aircraft complex is an international collaboration on a cutting edge commercial aircraft which is already making history. The Boeing 787 will be the first commercial aircraft ever constructed from carbon graphite composite materials. They are a super-strength, light-weight material with many fuel efficiency and maintenance advantages over conventional metals traditionally used in aviation.

During May 2007, Vought Aircraft Industries (Dallas, TX) fabricated its first aft fuselage for the 787, and Global Aeronautica (a joint venture of Vought and Alenia Aeronautica of Milan, Italy) integrated the flooring systems and various other interior components. The finished fuselage sections are being shipped via air on Dreamlifters (large, converted 747s) to the Boeing facility in Everett, WA, for final assembly. There they are united with the wings, tail, front fuselage and nose cone sections made in Italy, Japan, and Wichita, KS. Boeing held a roll-out



Vought Aircraft Industries Dreamliners

ceremony for the first completed 787 on July 7, 2007, in Everett, WA. Its worldwide suppliers on several continents joined via simulcast, including the U.S. City of North Charleston, SC.

The local Vought plant did experience a few setbacks in 2008. In November 2008, Vought announced it would be temporarily halting work on the 787 at its North Charleston plant along with laying off some employees. The temporary halt and layoffs are the result of a two-month-long strike at Boeing's final assembly plant in Everett, WA. In addition, the first test flight of the 787 has been delayed several times due to several different factors. The first plane is now scheduled for

delivery sometime in 2009. Despite the setbacks, the future still appears to be bright for the 787 program and its local Charleston presence. The 787 is the fastest selling airplane in commercial aviation history with around 900 firm orders currently on the books.

Charleston's aerospace cluster gained another member in December 2007 when Venture Aerobearings announced a capital investment of \$28 million and 100 new jobs. The new company is a joint venture of GE Aviation and SKF Aerobearings. The new facility will be responsible for manufacturing and repairing bearings for GE jet engines.



Venture Aerobearings

Automotive Manufacturing-

In 2007, Charleston County officials helped DaimlerChrysler officials dedicate their newly established Sprinter Van re-assembly facility in North Charleston. To date, over \$50 million has been invested in the project since its inception. The local DaimlerChrysler facility underwent a name change during 2007 with the dissolution of the Daimler and Chrysler merger, and is now doing business as Daimler Vans Manufacturing, LLC. In 2007, the North Charleston facility processed 20,000 Sprinters. With plenty of elbow room in a 1,200 acre industrial park, this facility could eventually grow to a full automotive original equipment manufacturer (OEM) facility, encompassing over \$400 million in additional capital investment and creating over 1,200 additional jobs. The growth of the facility is a very real possibility if demand for the Sprinter is an indicator. Since its introduction to market in 2001, the Sprinter has achieved six percent market share.

Biotech, Medical & Pharmaceutical Activities-

Emerging biotech jobs in Charleston are characterized by firms like GenPhar, which first pioneered an HIV detection kit for hospital use. The company retains ties to MUSC, where its founder first conducted research. It most recently created a vaccine geared at immunizing U.S. troops from the deadly Marburg and Ebola viruses. During 2007, GenPhar announced the establishment of a \$33 million vaccine manufacturing facility in suburban Mt. Pleasant. There, it will employ 133 new biotech researchers over the next five years. Construction is underway at GenPhar's new facility, which is anticipated to open in 2010.

Information Technology and Advanced Security-

Information technology companies are also an expanding sector in Charleston, anchored by nationally known companies such as Scientific Applications International Corporation (SAIC), BAE Systems, and many others servicing their Space and Air Warfare Systems (SPAWAR) research and development contracts. But there are also the Charleston home-grown IT firms. Founded in Charleston, Automated Trading Desk, Inc., now trades four percent of the NASDAQ volume on a daily basis on lightning-fast computer terminals from its \$30 million state-of-the-art complex in Mt. Pleasant. The firm made national business news during 2007 when it was acquired by Citigroup for \$680 million, but will continue to call Charleston home.

Creative Cluster-

Charleston has been a magnet for a growing list of small internet-related companies, architecture and urban design firms, and movie-making expertise. The Charleston Peninsula boasts a treasure trove of well-preserved eighteenth and nineteenth century architecture that is a timeless laboratory for young urban design practitioners. The Center for the Building Arts has provided a training school for craftsmen involved in structural restoration. South Carolina improved its financial incentives offerings for movie-makers recently, hoping to attract yet more television and motion picture productions to Charleston and other statewide locales. Among the first to respond were the producers of the television series "Army Wives", which since 2006 has operated from filming facilities in the neck area of Charleston. "Army Wives" has recently completed its second season and has committed to filming a third season in Charleston. Feature film "Dear John" is scheduled to film in the Charleston area from October to December 2008 and is expected to be released in 2009.

WHY CHARLESTON?

Companies relocating to Charleston, as well as entrepreneurs who start businesses in the area, typically give two primary reasons for why they chose to do business here: the renowned quality of life and the enviable competitive posture.

Quality of Life. Key among the region's advantages is its geographic location, its natural beauty, moderate climate, and a quality of life which has been deliberately and carefully protected.

Charleston has a 330 year history and is widely acknowledged as among the world's leaders in the area of historic preservation. The stunning, well-preserved eighteenth and nineteenth century homes and commercial buildings in downtown Charleston are a testament to this passion. Sightseeing in historic downtown is a favorite pastime for pedestrians and also tourists in horse-drawn carriages. Far from receiving a staid museum-like experience, the visitor to Charleston is struck by the busy streets of a vibrant city which are packed with tourists and locals well into the night.

Charleston is a medium-sized city with big-city arts offerings. The world-renowned Spoleto Festival USA is an annual two-week celebration of opera, jazz, dance, and visual arts that attracts legendary performers to the city. Charleston has an active arts community, with over 70 arts and cultural organizations, including a first-class symphony, museums, a proliferation of art galleries, local stage and theater groups, dance troupes, a community band and chorus, and a variety of dance and music recitals at area colleges.

Charleston offers diverse education options, from K-12 through the technical college and on to bachelor's degrees, and post-secondary study levels. Four public school districts in the tri-county Charleston region operate 137 schools hosting 93,145 students. A variety of learning styles are accommodated and a variety of subject matter

is offered through excellent magnet and charter schools geared to advanced academic studies, creative arts, technology, and other key pursuits. The Charleston area also hosts 65 private and parochial schools where 13,470 students are enrolled.

There are 26 colleges and universities offering a range of two-year, bachelor's, master's, and doctoral degree programs in Charleston. The five largest are : Trident Technical College, with 12,763 students; The College of Charleston, with 11,500 students; Charleston Southern University, with 3,286 students; The Citadel, with 3,198 students; and the Medical University of South Carolina with 2,537 students. One of Charleston's most recent points of pride is the new Charleston School of Law. This private institution was opened in 2004 and is one of only two law schools in the state (the University of South Carolina School of Law being the other). Enrollment is currently over 600. On May 10, 2008, the Charleston School of Law graduated its second class of 183 students.

Sports are an important part of the Charleston social landscape in a town where the median age is 35. Sporting events are big business in Charleston, contributing over \$50 million annually to the regional economy and employing nearly 1,200 people. Charleston hosts several professional teams. The Charleston RiverDogs Baseball team is a Class A affiliate of the New York Yankees, the Charleston Battery Soccer team is part of the USL First Division, and the South Carolina Stingrays Hockey team is a member of the ECHL Southern Division and an affiliate of the NHL Washington Capitals. Southern Conference and Big South Conference collegiate sports round out the mix, with the teams of The Citadel, College of Charleston, and Charleston Southern University taking center stage.

Charleston also plays host to many high-profile sporting events throughout the year. The annual Family Circle Cup Tennis Tournament, a WTA Tier 1 event, is played at the Family Circle Tennis Center (capacity 10,200) on Daniel Island. The 2007 tournament was attended by 91,899 people with a \$25 million economic impact. Kiawah Island's world-class Ocean Course hosted the 68th Senior PGA Championship tournament in May 2007. This tournament gave Charleston international television exposure and had a \$23.3 million impact on the region's economy. The Ocean Course has also been selected to host the 94th Annual PGA Championship in 2012. Other exciting events in Charleston this past year include the LPGA Ginn Tribute hosted by Annika Sorenstam, the 2008 AVP Charleston Open, and the annual Cooper River Bridge Run 10K, which hosted 45,000 runners in 2008.



Serena Williams at the Family Circle Tennis Tournament

Competitive Posture. Charleston has won numerous accolades in recent years from esteemed business and travel publications. *The Milken Institute* ranked Charleston 12th among largest U.S. metros on its "2007 Best Performing Cities" list in September 2007. *Inc.* magazine placed Charleston 6th among mid-sized metros on its list of "Top US Cities for Doing Business." *Expansion Management* has cited the Charleston region as a top 15 mid-sized metro on their list of "Best Places for Business Attraction" and thirteenth on their list of "Top Real Estate Markets for Expanding Companies." *Bizjournals* listed Charleston 5th in private sector job growth on their "Job Market Leaders" list and 5th in per capita income growth since 1995 on their "Hot Growth for Incomes" list. The Sanctuary at Kiawah Island was ranked the number one Family Resort in the US and Canada by *Travel + Leisure Family*. *Travel + Leisure* also named Charleston the 6th Best City in the United States and Canada.

The Charleston region offers a sizeable real estate portfolio for a mid-sized market, with close to 9 million square feet in upscale executive buildings and offices. The 15.3 million square feet of retail space in the region is distributed between regional malls, strip centers, and the downtown Charleston central business district. A variety of vacant industrial and warehouse buildings and over 20 industrial parks are available for industrial opportunities.

Demand for office space in the Charleston region has led to the development of many new office properties. Since 2000, over 3.5 million square feet of office space has been added to the Charleston region's inventory. Vacancy rates have stabilized at just under 14 percent. The average lease rate for Class A office space is \$26.00 per square foot in the region, with an overall average of \$19.67 per square foot for all office space.

Over 20 industrial parks are strategically located throughout the Charleston region. Each park has a distinct personality and a unique set of attributes. Some parks are adjacent to an interstate highway or rail line, some offer quick access to a port terminal or airport, and many have Foreign-Trade Zone status. All industrial facilities in the region benefit from the area's reliable and affordable water and power. As of the end of 2007, the Charleston region had over 25.5 million square feet of warehouse and flex space, with another 390,000 square feet under construction. Vacancy stands at 9.17 percent and average lease rates are \$4.33 per square foot per year.

The Charleston International Airport, no more than a thirty-minute ride from anywhere in the region, has experienced great growth in recent years. The mix of passengers has shifted away from its tourist base toward one increasingly characterized by business travelers. Carriers include Continental Airlines, Delta Airlines, Northwest AirlinK, US Airways, United Express, American Eagle, and low-cost carrier AirTran Airways. Daily non-stop service is available to Atlanta, Newark, Houston, New York LaGuardia, Cincinnati, Detroit, Memphis, Charlotte, Philadelphia, Washington National, Washington Dulles, Chicago, and Dallas-Fort Worth.

MAJOR COUNTY INITIATIVES

Charleston County's initiatives in fiscal year 2008 focused on enhancing the value of services provided to our citizens, partnering with municipal governments, encouraging economic development, and continuing with an extensive facilities improvement and replacement program.

Financial. Charleston County Government closed two bond issues on Thursday, Dec. 13, 2007, selling \$225 million of general obligation and sales tax bonds to fund future projects, including the Detention Center expansion, road construction and greenbelt land purchases.

The first sale was for \$150 million of general obligation bonds to fund Transportation Sales Tax projects, including road construction and greenbelt land acquisition. Ten underwriting firms bid to purchase the bonds and offer the lowest interest rate. Prager, Sealy & Co. offered the lowest total interest cost of 4.180747 percent.

The second sale was for \$75 million of general obligation bonds to fund the Charleston County Detention Center expansion project, the Consolidated 911 Dispatch Center, a county-wide radio system upgrade, a new auto repair garage, and repairs to the county's Judicial Center. Eight underwriting firms bid on the bonds, with Lehman Brothers, Inc. coming in with the lowest rate of 4.210976 percent.

The bonds were rated "AAA" from Standard & Poor's and "Aa1" from Moody's Investors Service, due to strong financial management and performance, low debt burden, and reasonable capital spending.

Small Business. This year the County's Contracts and Procurement Department rolled out its new business development effort, the Small Business Enterprise (SBE) Program. The SBE Program is race and gender neutral, with an emphasis on growing and enhancing small companies in the county. The concept was developed through a disparity study that was commissioned by County Council in 2006.

The program has many features to aid small businesses, and is the first of its kind in South Carolina. The program certifies businesses as small business according to the following guidelines:

- Gross revenues of \$7.5 million or less
- Provide a useful commercial function
- Eligible owner is actively involved in the daily operations of the business

Additional features of the program include the establishment of mandatory SBE contracting or subcontracting requirements for selected solicitations, and a robust outreach program that will aid entrepreneurs in business development and ready them for competing for County contracts.

GovDeals. In the three years since its first GovDeals.com online auction closed, Charleston County Government has sold over \$3 million in used equipment and seized property items. In comparison, Charleston County made only \$318,599 at its final annual live auction in 2004.

The County uses funds earned from the online sales to purchase new equipment. The Sheriff's Office also uses the site to sell items seized by the narcotics unit, for which sales funds are used to purchase new equipment needed to fight the war on drugs.

Technology. In November 2007, Charleston County entered into a contract with Manatron, Inc. for the installation of a new revenue billing and tax collection system. The Computer Aided Mass Appraisal (CAMA) system will also be replaced with Manatron's ProVal which will integrate a complete system from assessment to delinquent tax processing. The system is expected to go live in April 2009.

Transportation Sales Tax. Charleston County's Transportation Sales Tax was approved by voters in November of 2004. Collection of the tax began three years ago in May of 2005. The tax will continue for 25 years or until \$1.303 billion is generated for transportation and greenspace related projects and improvements.

The County has leveraged sales tax proceeds to generate over a half-billion dollars in additional road building dollars. In fiscal year 2007 the South Carolina State Infrastructure Bank (SIB) voted unanimously to commit a total of \$420 million to Charleston County for the completion of Interstate 526 (Mark Clark Expressway) and \$40 million for the intersection of Interstate 526 and US Highway 17-North.

Three months later in September Charleston County officials secured an additional \$43 million in federal funds through the Charleston Area Transportation Study (CHATS) over the next several years to supplement projects funded by the Transportation "Half-Cent" Sales Tax.

In the past three years over 100 resurfacing, paving, handicap ramps, intersection improvements and drainage projects have been either been completed or are underway with funds from the Charleston County Transportation "Half-Cent" Sales Tax Program.

Greenbelt Program. Of the \$1.3 billion generated from the Transportation Sales Tax revenue, \$221 million is

allocated for the conservation of 40,000 acres of greenspace throughout the County. The Greenbelt Programs distribute funding in an equitable manner in the form of financial grants to urban and rural areas of the County. Grants are to be used primarily for the conservation of land; however some grant funds can be used to support the development of related minor improvements that in essence provide for public access and use of conservation lands.

Since the inception of the Greenbelt Programs in calendar year 2007, County Council has approved 61 projects to protect 8,412 acres. During fiscal year 2008, 29 projects closed, resulting in the expenditure of \$19.2 million in greenbelt funds and the generation of \$37 million in match.

Alert Charleston County. Charleston County introduced a new program in fiscal year 2008 called Alert Charleston County. Authorities now have not only the ability to dial every listed landline phone number within the affected area, but also any unlisted landline, cell phone, or broadband phone number if citizens register their number online with the Alert Charleston County program. When notified, citizens will hear a message that gives details on the emergency and includes instructions on any actions they should take.

Charleston Certified as "StormReady". Incorporating new alert notification procedures, including Alert Charleston County and cable override capabilities with Comcast, to get messages out to the public quickly during an emergency is just one of the many reasons why the National Oceanic and Atmospheric Administration's (NOAA) National Weather Service recertified Charleston County as "StormReady."



Cathy Haynes, EPD Director, accepts Charleston County's StormReady Certificate.

Charleston County first received the certification in October 2001 after meeting a set of rigorous warning and evacuation criteria. In October 2006, Charleston County also earned the distinction "TsunamiReady." Charleston County will have to go through a renewal process every three years to maintain the certification.

Consolidated 911 Emergency Dispatch Center. County Council moved forward with its plan to build and operate a Consolidated 911 Emergency Dispatch Center in Charleston County and signed an intergovernmental agreement with eight other jurisdictions within Charleston County.

Currently, there are 10 different 911 emergency dispatch operations within the County under nine jurisdictions (Charleston County Government includes EMS and the Sheriff's Office), and each one is answered and operated by its respective governing agency. A Consolidated Dispatch Center will eliminate the need for 911 calls to be transferred to other centers within Charleston County.

The Consolidated Dispatch Center will be a Charleston County department that will have operational protocols and procedures overseen by a Consolidated Dispatch Board. The board will have a makeup similar to the existing Consolidated Dispatch Committee, which represents all participating jurisdictions.

The Future of Solid Waste. The County's 20 year contract for the waste-to-energy facility, known as the incinerator, will expire in 2010. After community discussion about the future of solid waste in Charleston County, Council voted to establish a Green Ribbon Committee to study the reduction of the height limit for the construction and demolition of waste cells of the Bees Ferry Landfill; evaluate recycling program enhancements; explore alternative means of waste disposal; and function as a liaison with the Berkeley-Charleston-Dorchester Council of Governments to investigate the feasibility of a Tri-county landfill.

Council also decided to hire a consultant who will work with the Green Ribbon Committee to develop a comprehensive solid waste strategy for the County. The consultant will be providing an independent analysis and process audit of how solid waste is managed by the County as well as researching best practices, cost analysis and solid waste disposal innovations.

Capital Projects - Expansion of Detention Center. In order to improve overcrowded conditions and increase the safety of employees and citizens, Charleston County broke ground and began construction on the new Detention Center Expansion. Once the expansion is complete, the total inmate capacity will grow from 1,344 to 2,033. In 2007, the average daily population was 1,762 inmates, including inmates housed at the work



Charleston County Detention Center

camp and those checked out of the facility, and excluding incarcerated juveniles.

The 323,000-square foot expansion includes a four-story jail housing building and a support building. The first floor of the housing building will contain a new kitchen, laundry, medical clinic and infirmary, a space for processing inmates in and out of the building, administrative space and one housing unit. The upper three stories will contain 20 housing units and support office space. All new housing units will be dormitory-style, with each unit housing 64 inmates supervised by one officer. The building is estimated to be completed by August of 2010.

To fund the \$100 million project, Charleston County borrowed \$75 million in December of 2007 to fund its Capital Improvement Plan, which included \$53 million toward the Detention Center expansion. The County anticipates borrowing another \$50 million in the fall of 2009, with \$47 million going to complete the project. The County will repay the amounts borrowed over 20 years.

Design was completed and construction began for the new Automotive Shop which will be located adjacent to the Heavy Equipment Garage. This project includes the Radio Shop. Construction is well underway and completion is anticipated early calendar year 2009.

FINANCIAL INFORMATION

Cash Management. Cash that was temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, repurchase agreements, or interest-bearing checking accounts. The average yield on investments was 5.32 percent for the year ending June 30, 2008. Charleston County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The County's bank balances were approximately \$222,681,151 at June 30, 2008, all but one of which were collateralized or covered by insurance. More detail on the County's deposits and investments is found in Note III. A. of the notes to financial statements starting on Page 78.

Risk Management. The County has a limited risk management program for vehicle comprehensive and collision. As part of this plan, the County has a mandatory defensive driver training class for new employees operating County vehicles. The County insures all licensed vehicles for collision and comprehensive, including a \$1,000 deductible per vehicle provided by the State of South Carolina Insurance Reserve Fund. The County has also acquired commercial insurance on heavy equipment with a \$1,000 deductible for equipment with a value of \$100,000 or less, and a \$2,500 deductible for equipment with a value over \$100,000. There is a \$2,500 per catastrophe limit on the deductible for heavy equipment. The County also has a \$1,000 deductible per location coverage for fire and extended coverage with the State of South Carolina Insurance Reserve Fund.

During fiscal year 1995, the County insured the risk of job-related injury or illness to its employees through the South Carolina Association of Counties' (SCAC) Workers' Compensation Trust. Effective July 1, 1995, the County converted to a self-insured plan with SCAC to fund risks associated with Workers' Compensation claims. More information on the County's risk management plan can be found in Note IV.A. of the notes to financial statements starting on Page 108.

Pension and Other Post Employment Benefits. Charleston County participates in the State of South Carolina Retirement System. All permanent County employees are members of either the South Carolina Retirement System or the South Carolina Police Officer's Retirement System. More information on these pension plans are provided in Note IV.I. of the notes to financial statements starting on Page 118 of this report.

The County also provides post-employment health, life and dental care benefits (as per the requirements of a local ordinance) for certain retirees and their dependents. More information on the post-employment benefits is shown in Note IV.G. of the notes to financial statements starting on Page 117.

Awards and Acknowledgements. Charleston County received its 20th consecutive Distinguished Budget Presentation Award for its fiscal year 2008 budget from the Government Finance Officers Association of the United States and Canada (GFOA). According to the GFOA, the award reflects the commitment of Charleston County Government and its staff to meeting the highest principles of governmental budgeting. The award was given based not only on how well the County budgets its funds, but also on how well it communicates to the public how the money is spent. The County develops a "Citizen's Guide to the Budget" each year so residents can easily see where their tax dollars are going.

The GFOA also awarded its Certificate of Achievement for Excellence in Financial Reporting for the 20th

consecutive year to Charleston County for its fiscal year 2007 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting given to governments that demonstrate a constructive "spirit of full disclosure" to communicate clearly the County's financial story.

A Certificate of Achievement is valid for a period of one year only. We believe that Charleston County's current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

The timely preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Charleston County's Controller's Office. Special thanks go to the team headed by Carla Ritter, who with the assistance of Dolores Dong, Scott Bartley, Summer Gillespie, and Thomas Johnson of the Controller's Office produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile and Catherine Ksenzak from the Budget Office; Andrew Smith and Julie Riley-Hollar from the Treasurer's Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services, Jean Sullivan and Jeanette Williams from Grants Administration; and Bill Turner and Jackie Proveaux from the Public Works Department. Much appreciation also goes to Dawn Murray and Chrisanne Porter of the Controller's Office who prepared the financial notes, this letter, and the management's discussion and analysis, and provided clerical support to the external auditors. Substantial assistance also came from the staff members of the County Administrator and Chief Financial Officer, with special thanks to Steve Dykes of the Economic Development Office. Thank you's are also extended to the staff of Scott McElveen, L.L.P, the external auditors, for their efforts in producing this Comprehensive Annual Financial Report.

In addition, Charleston County would like to acknowledge the cooperation and support of Charleston County Council in making this report possible.



Keith D. Bustran
Charleston County Chief Deputy Administrator/Chief Financial Officer



Corine Altenhein
Charleston County Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Charleston
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

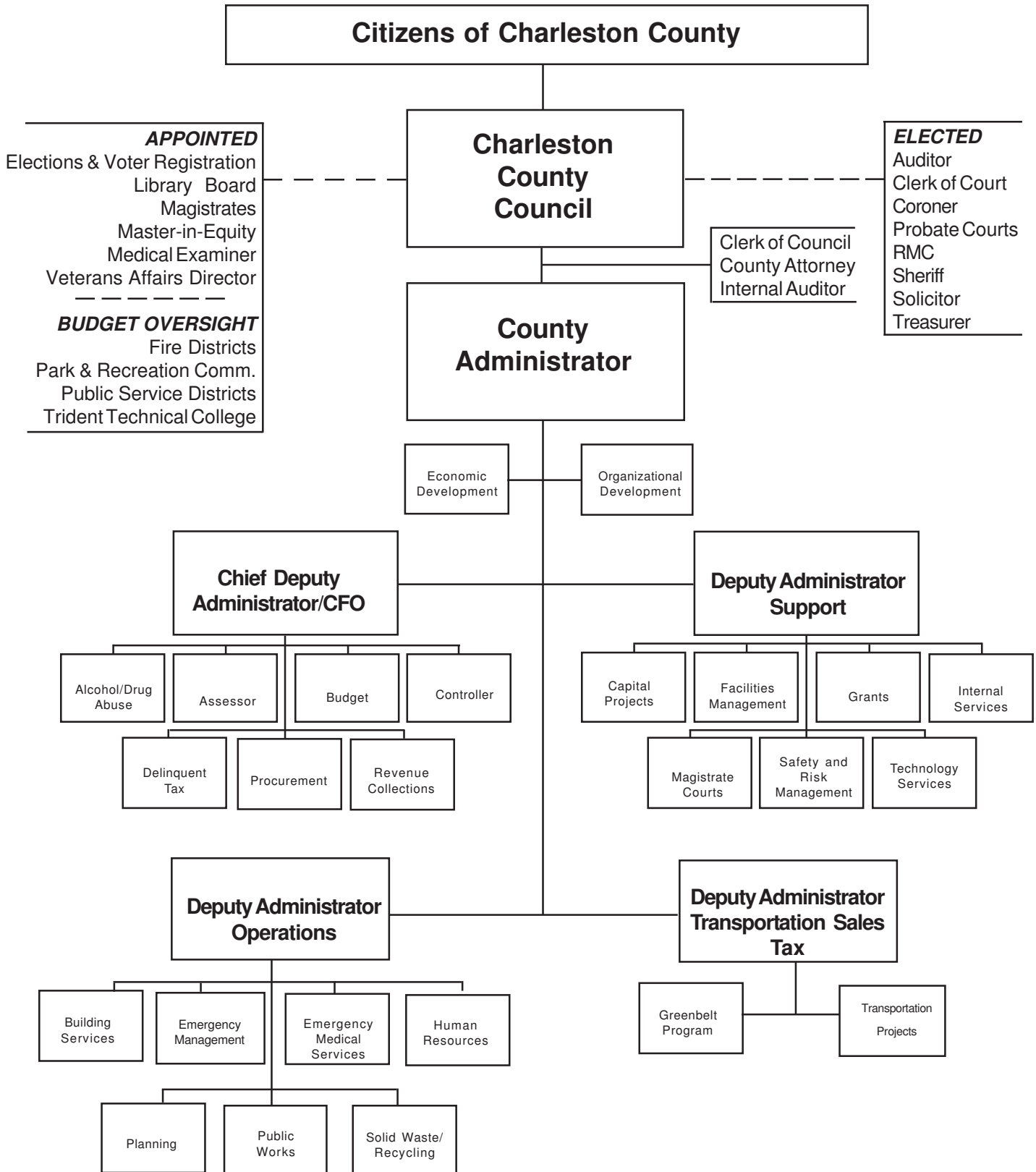
President

Jeffrey R. Emer

Executive Director

Charleston County, South Carolina Organizational Chart

County Departments
Effective 12/21/2007



**COUNTY OF CHARLESTON
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2008**

MEMBERS OF COUNTY COUNCIL

	<u>Number of Years In Office</u>	<u>Term Expiration Date</u>	
Timothy E. Scott	13½	1/1/09	Chairman, District 3
Curtis E. Bostic	7½	1/1/09	Vice Chairman, District 6
Joe McKeown	2	1/1/11	District 1
Henry D. Schweers	1½	1/1/11	District 2
Henry E. Darby	3½	1/1/09	District 4
Teddie E. Pryor	3½	1/1/11	District 5
Colleen T. Condon	3	1/1/09	District 7
Curtis B. Inabinett	3½	1/1/11	District 8
Paul R. Thurmond	1½	1/1/11	District 9

ELECTED OFFICIALS

Julie J. Armstrong	16½	1/1/09	Clerk of Court
James A. Cannon, Jr.	20½	1/1/09	Sheriff
Rae Wooten	2	1/1/09	Coroner
Irvin G. Condon	14½	1/1/11	Probate Court
Scarlet A. Wilson	1	1/1/09	Solicitor
Charlie Lybrand	14½	1/1/11	Register Mesne Conveyance
Peggy Moseley	16½	7/1/09	Auditor
Andrew Smith	11½	7/1/09	Treasurer

OTHER OFFICIALS

	<u>Number of Years With County</u>	<u>Years In Current Position</u>	
McRoy Canterbury, Jr.	30	2	County Administrator
Keith D. Bustraan*	21½	7	Chief Deputy Administrator/CFO
Walter L. Smalls	9	2	Deputy Administrator (Support)
Jennifer Miller	22	1	Deputy Administrator (Operations)
Kurt W. Taylor	17	½	Deputy Administrator (Transportation Sales Tax)
Corine Altenhein	18	1	Controller

*Keith D. Bustraan became the Chief Deputy Administrator/Chief Financial Officer in August 2007.



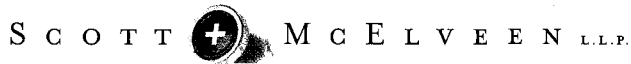
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FINANCIAL SECTION





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Independent Auditors' Report

To the Charleston County Council
County of Charleston, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, other than the financial statements of the discretely presented component units, and the budgetary comparison schedule of the general fund, of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non-major governmental, enterprise, internal service, and fiduciary funds, and the respective budgetary comparison schedules for the special revenue funds, presented as supplementary information in the accompanying combining financial statements and schedules, as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CERTIFIED PUBLIC ACCOUNTANTS

Member: AICPA, SCACPA, SEC Practice Section
An Independent Member of the BDO Seidman Alliance

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Columbia, South Carolina 29202	www.scottmcelveen.com

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, enterprise, internal service, and fiduciary fund of the County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the schedules of capital assets used in the operation of governmental funds as well as the victim notification schedule of fines, assessments and surcharges collected, are fairly stated, in all material respects, in relation to the portion of the basic financial statements from which they have been derived as of June 30, 2008.

As discussed in Note II. B. to the financial statements, certain errors resulting in the understatement of capital assets as of June 30, 2007, were discovered by management of the County during the year ended June 30, 2008. Accordingly, a restatement of net assets has been made as of June 30, 2007, to correct the errors.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the required supplementary information as listed in the table of contents are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Scott McElveen, L.L.P.

Columbia, South Carolina
January 28, 2009

Management's Discussion and Analysis

As management of Charleston County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Charleston County for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 16 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Charleston County reported net assets of \$265,619 at June 30, 2008, comprised of \$925,261 in total assets offset by \$659,642 in total liabilities.
- The government's total net assets decreased by \$15,835 during the fiscal year ended June 30, 2008, with a \$24,436 decrease resulting from governmental activities and an \$8,601 increase resulting from business-type activities.
- As of the close of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$407,050. Approximately 15 percent of this total amount, \$62,027, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$43,266 or 27 percent of the total general fund expenditures.
- Charleston County's long-term debt increased by \$218,018 (79 percent) during the current fiscal year. A full discussion of the County's changes in long-term debt can be found on pages 90-104.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Charleston County's basic financial statements which are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required supplementary and other supplementary financial information in addition to the basic financial statements.

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Charleston County and are similar to private sector financial statements. They include a statement of net assets and a statement of activities. These statements appear on pages 39 and 40 of this report.

Component units, which are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of net assets and of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. For those readers interested in more information on the component units, contact information is provided in Note I. B. on pages 62 through 64 of this report.

The statement of net assets shows the County's assets less its liabilities at June 30, 2008. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The statement of activities follows the statement of net assets and presents information showing how the County's net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in future fiscal periods.

Both statements attempt to distinguish functions of Charleston County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, public safety, judicial, public works, health and welfare, economic development, culture and recreation, and education. Major business activities include parking garages and solid waste (recycling and waste disposal). Other business activities include the Department of Alcohol and Other Drug Abuse Services (DAODAS), radio communications, revenue collections and a countywide E-911 communication system.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Charleston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Charleston County government can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds. Governmental funds, presented on pages 41 through 47, essentially account for the same functions as those reported under the governmental activities of the government-wide statement of net assets and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Charleston County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Charleston County's statements include four major funds: the General Fund, the Debt Service Fund, the Transportation and Road Sales Tax Special Revenue Fund, and the General Obligation Bond Capital Projects Fund. Although there are many smaller governmental funds in Charleston County Government, they have been presented in a total column termed as "Other Governmental Funds". Combining statements for these other governmental funds have been presented on pages 124 through 134 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise, and internal service, shown on pages 48 through 53 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for solid waste and parking garages. DAODAS, radio communications, revenue collections and E-911 communications are presented in one total column termed as "Nonmajor Other Funds" but may be separately reviewed in the combining statements on pages 150 through 155.

Internal service funds (ISFs) are an accounting mechanism to accumulate and allocate costs internally for Charleston County Government. The County uses internal service funds to account for fleet management, office support services, workers' compensation, telecommunications, and the employee benefits trust. See pages 157 through 161 of this report. ISFs have been eliminated on the statement of net assets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Charleston County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 163 through 165 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 60 through 117 of the report.

Other Information. Individual statements, which present more detailed views of nonmajor funds used in governmental funds, begin on page 137. Additional trend information about the County, which may be of interest to the reader, is found under the Statistical section of this report, starting on page 170.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Charleston County, assets exceeded liabilities by \$265,619 at the close of fiscal year 2008.

Charleston County's unrestricted net assets, shows a deficit of \$21,949 at the close of fiscal year 2008. This exists because the County expended Transportation Sales Tax General Obligation bond proceeds on the purchase of land for greenbelts. Although the County issued the debt for these purchases, these assets were not capitalized because they are not owned by the County.

The other components of net assets include \$129,525 investment in capital assets (e.g., land, building, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. An additional \$87,827 is being held by the County as cash and investments to be used for the planned purchase/construction of additional capital assets already approved by County Council. Charleston County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the County's net assets, \$70,216 represents resources that are subject to external restrictions on how they may be used.

Charleston County's Net Assets
June 30, 2008
(Recapped from page 39)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007 (restated)	2008	2007	2008	2007 (restated)
Current and other assets	\$557,151	\$349,555	\$ 87,185	\$102,080	\$644,336	\$451,635
Capital assets	235,534	230,165	45,391	45,360	280,925	275,525
Total assets	\$792,685	\$579,720	\$132,576	\$147,440	\$925,261	\$727,160
Long-term liabilities						
outstanding	\$455,578	\$235,492	\$ 19,204	\$ 19,405	\$474,782	\$254,897
Other liabilities	176,382	159,067	8,477	31,741	184,859	190,808
Total liabilities	\$631,960	\$394,559	\$ 27,681	\$ 51,146	\$659,642	\$445,705
Net assets:						
Invested in capital assets, net of related debt	\$102,685	\$ 89,153	\$ 26,840	\$ 24,638	\$129,525	\$113,791
Restricted for future construction	82,344	22,442	5,483	5,533	87,827	27,975
Restricted - other	37,678	47,388	32,538	29,341	70,216	76,729
Unrestricted	(61,982)	26,179	40,033	36,782	(21,949)	62,961
Total net assets	\$160,725	\$185,161	\$104,895	\$ 96,294	\$265,619	\$281,455

The County's net assets decreased by \$15,835 during the current fiscal year. The governmental activities had a decrease of \$24,436 which resulted primarily from the allocation of GOB proceeds to various governmental entities within the county for the purchase of greenbelts. The increase of over \$200,000 in total assets and liabilities resulted from the issuance of \$225,000 in general obligation bonds for the transportation sales tax and capital projects programs.

The business type activities had an increase of \$8,601 which resulted primarily from planned revenues in excess of expenditures in the solid waste business-type activities, where the County has large balloon payments starting in 2006 and has been placing the savings from the 1997 refinancing of the Foster Wheeler Solid Waste Bonds in a debt service reserve since that time to apply to these balloon payments. The remainder of the business type activity increases represents the degree to which increases in ongoing revenues have outpaced similar increases in ongoing expenses.

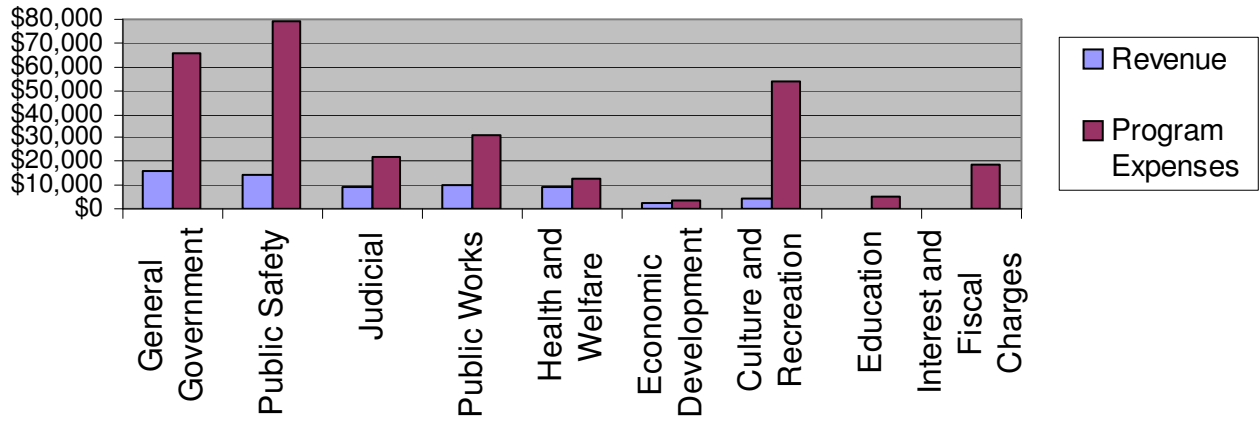
Governmental Activities. Governmental activity decreased the County's net assets by \$24,436. Key elements of the decrease:

- Property taxes and local option sales tax increased by \$4,652 (3.7 percent) during the year.
- Investment earnings decreased by \$1,673 (30.9 percent) during the year.
- Expenses for the year increased by \$52,193 (21.8 percent) with the substantial portion of that increase coming from culture and recreation \$32,515, public safety \$13,533, interest and fiscal charges \$9,151, economic development \$1,904, health and welfare \$1,767, judicial \$1,656, and a decrease in public works \$9,175. The remaining increase of \$842, reflects both inflation and the growth in the demand for services.

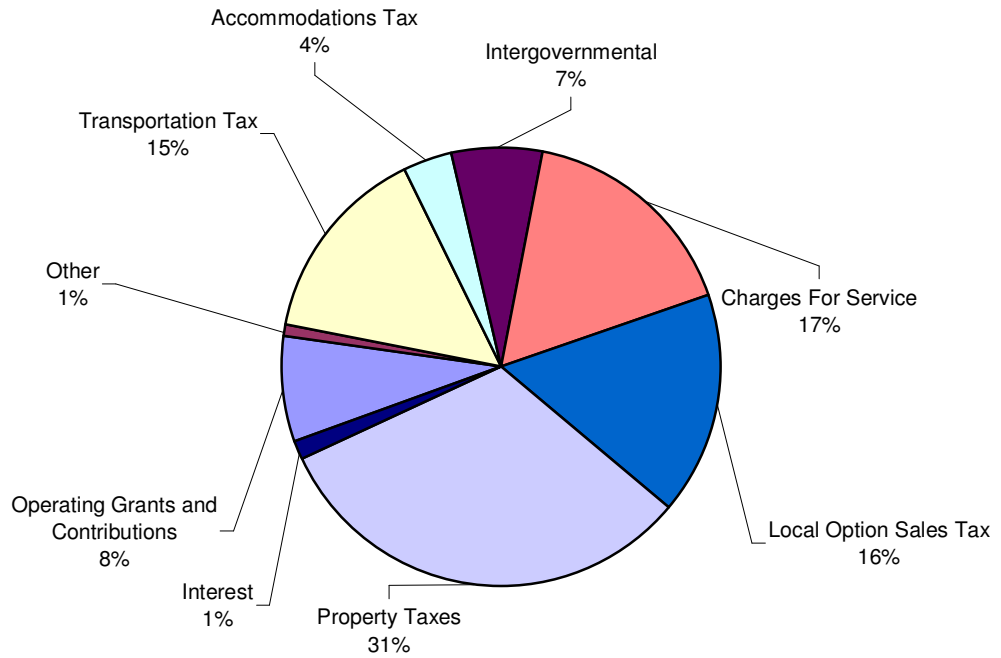
County of Charleston, South Carolina
Changes in Net Assets (Recapped from page 40)
For the Fiscal Year Ended June 30, 2008

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for services	\$ 45,308	\$ 39,400	\$ 53,709	\$ 47,867	\$ 99,017	\$ 87,267
Operating grants and contributions	20,815	18,216	3,081	979	23,896	19,195
Capital grants and contributions	-	-	-	1	-	1
General Revenues:						
Property taxes	86,508	82,290	-	-	86,508	82,290
Other taxes and fees	97,135	95,022	554	517	97,689	95,539
State aid to political subdivisions	17,865	16,098	-	-	17,865	16,098
Unrestricted investments earnings	3,749	5,422	2,446	3,369	6,195	8,791
Gain on sale of capital assets	-	-	66	95	66	95
Total Revenues	271,380	256,448	59,856	52,828	331,236	309,276
Program Expenses:						
Governmental Activities:						
General government	65,853	65,198	-	-	65,853	65,198
Public safety	79,153	65,620	-	-	79,153	65,620
Judicial	22,201	20,546	-	-	22,201	20,546
Public works	31,011	40,186	-	-	31,011	40,186
Health and welfare	12,879	11,112	-	-	12,879	11,112
Economic development	3,228	1,325	-	-	3,228	1,325
Culture and recreation	53,822	21,307	-	-	53,822	21,307
Education	5,325	5,138	-	-	5,325	5,138
Interest and fiscal charges	18,462	9,311	-	-	18,462	9,311
Business-Type Activities:						
E-911	-	-	1,016	984	1,016	984
Solid waste	-	-	39,065	30,230	39,065	30,230
Parking garages	-	-	2,008	1,754	2,008	1,754
DAODAS	-	-	9,349	8,984	9,349	8,984
Revenue collections	-	-	1,724	-	1,724	-
Radio communications	-	-	1,974	1,800	1,974	1,800
Total Expenses	291,935	239,743	55,136	43,752	347,071	283,495
Excess (deficiency) of revenue over (under) expenses	(20,555)	16,705	4,720	9,076	(15,835)	25,781
Transfers	(3,881)	(5,052)	3,881	5,052	-	-
Increase (Decreases) in Net Assets	(24,436)	11,653	8,601	14,128	(15,835)	25,781
Net assets, beginning	174,751	163,052	96,294	82,166	271,044	245,218
Prior Period Adjustments	10,410	46	-	-	10,410	46
Net Assets, beginning adjusted	185,161	163,098	96,294	82,166	281,454	245,264
Net Assets, ending	\$160,725	\$174,751	\$104,895	\$96,294	\$265,619	\$271,045

Expenses and Program Revenues - Governmental Activities

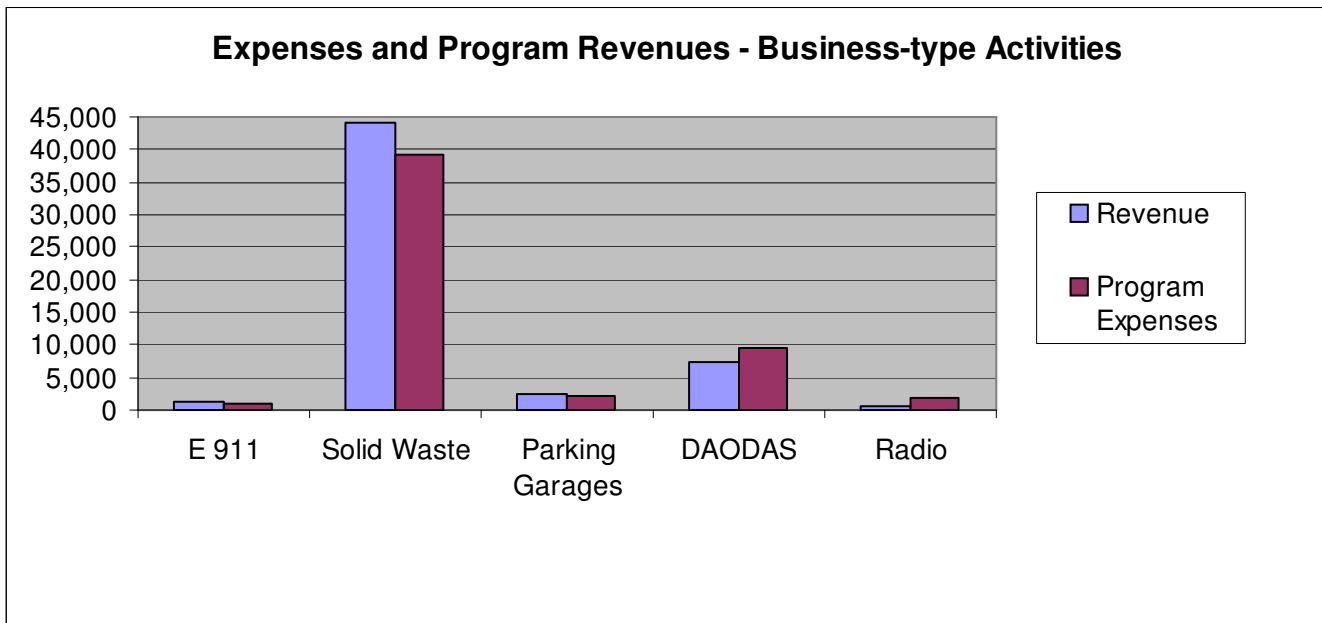
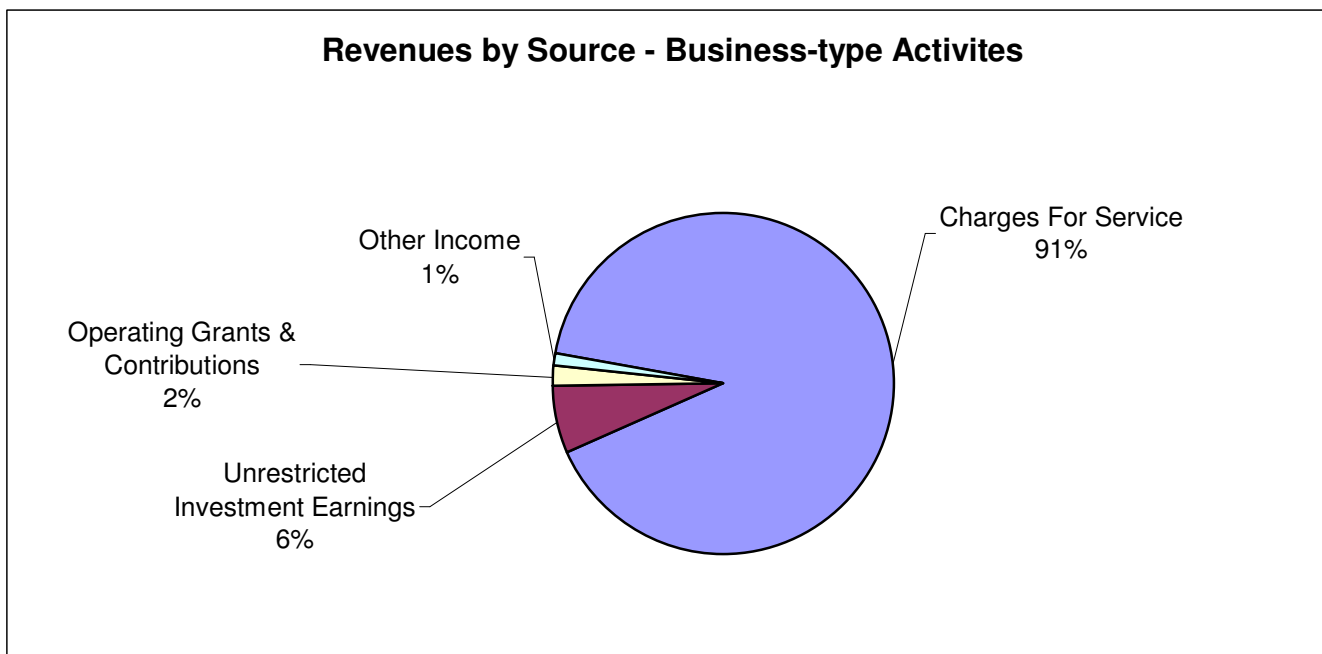


Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the County’s net assets by \$8,601. The key element of this increase was:

- The solid waste fund had an increase in net assets of \$4,470. This is primarily the result of a decision made by County Council to bank the savings from a refinancing of the bonded debt on the incinerator in 1997. Because of the substantial total balloon payments of \$33,000 starting in 2006 and running through 2010 that would result in significant user fee increases, County Council decided to hold the user fee level in 1997 instead of increasing it, therefore resulting in a much smaller increase in the years 2006 through 2010.
- This increase of \$8,835 in solid waste expenses is primarily due to a reduction in the accrual for landfill closure in fiscal year 2007 because of the capping of a cell at the Bees Ferry Landfill. This resulted in a negative provision for landfill closure of \$7,308 in fiscal year 2007.



Financial Analysis of the Government's Funds

As noted earlier, Charleston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$407,050, an increase of \$195,485 in comparison with the prior year. Of this increase amount, \$138,751 resulted from the transportation and road sales tax and \$64,381 occurred in the GOB Capital Projects fund. Approximately 15 percent of this ending fund balance, \$62,027, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$12,237), 2) to pay debt service (\$19,703), 3) to pay for capital projects as restricted by bond covenants (\$82,345), 4) reserved for inventories and prepaid items (\$631), or 5) reserved for transportation projects (\$230,107).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$32,766 while total fund balance reached \$44,728. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20 percent of total general fund expenditures, while total fund balance represents 28 percent of that same amount. The net decrease in the fund balance of the general fund was \$4,973 during the current year. Highlights in the general fund were as follows:

- An increase of \$434 in local option sales tax which is 1.0 percent over the previous year
- An increase of \$766 in property taxes which is 1.3 percent over the previous year
- The decrease of \$4,973 in the fund balance is a budgeted decrease and was expected

Capital projects funds have a combined total fund balance of \$82,345. These funds are 100 percent reserved either to cover existing encumbrances or for future capital construction. The fund balance for General Obligation Bond Capital Projects \$68,571 is shown as a major fund and the remaining funds \$13,775 are all nonmajor ones and are shown on pages 128 and 134.

The special revenue funds have a combined total fund balance of \$260,274. The Transportation and Road Sales Tax Special Revenue fund balance \$240,119 is shown as a major fund and the remaining funds of \$20,155 are all nonmajor funds. Of this amount, \$18,761 is designated for subsequent years' appropriations and the remaining \$1,394 is reserved for encumbrances and inventory. Nonmajor special revenue funds are shown on pages 124 through 127, and 130 through 133.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. See pages 48 through 53, 150 through 155 and 157 through 161.

As of the end of the current fiscal year, Charleston County's proprietary funds reported combined ending net assets of \$104,895, an increase of \$8,601 in comparison with prior year. The solid waste fund accounted for \$4,470 of this increase.

General Fund Budgetary Highlights

Over the course of the year, County Council did not amend the original revenue budget as in the prior year. Actual revenues were \$1,407 under budgeted amounts.

The two most significant variances were taxes, which were \$2,683 under budget and interest income which was \$1,089 under budget. Intergovernmental revenues were \$1,394 over budget. The variance in taxes was due to a decrease in the local option sales taxes collected. The variance in interest income was due to a drop in the rate earned.

Actual expenditures were \$6,487 below the final budget amounts. The most significant contributions to this variance were the following:

Technology Services	\$1,092	IT vendor contract
	180	Landlines
	165	Maintenance contracts
Emergency Medical Services	\$ 645	Salaries and benefits
	111	Supplies
	93	Consultant fees
Sheriff	\$ 754	Detention center salaries and benefits
	201	Dispatch salaries and benefits
	79	Detention center contractual services
	(602)	Law enforcement salaries and benefits
Public Works	\$ 392	Salaries and benefits
	200	Capital – It purchases
	108	Construction materials
Delinquent Tax	\$ 313	Salaries and benefits
	120	Legal services
Legal	\$ 204	Legal services
	30	Salaries and benefits
Assessor	\$ 187	Salaries and benefits
	27	Internal service charges
Magistrates	\$ 222	Salaries and benefits

Capital Asset and Debt Administration

Capital Assets. Charleston County's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounted to \$280,925 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, bridges and drainage easements. The total increase in the County's investment in capital assets for the current fiscal year was 2 percent and was attributed to the governmental activities.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 16,334	\$ 16,334	\$ 3,951	\$ 3,951	\$ 20,285	\$ 20,285
Buildings	147,844	151,981	18,002	18,564	165,847	170,545
Improvements other than buildings	1,682	1,756	362	414	2,044	2,170
Machinery and equipment	33,042	34,834	7,118	6,477	40,160	41,311
Infrastructure Construction in progress	18,798	20,980	-	-	18,798	20,980
	<u>17,833</u>	<u>4,280</u>	<u>15,958</u>	<u>15,954</u>	<u>33,791</u>	<u>20,234</u>
Total	<u>\$ 235,534</u>	<u>\$ 230,165</u>	<u>\$ 45,391</u>	<u>\$ 45,360</u>	<u>\$ 280,925</u>	<u>\$ 275,525</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 83 through 87 of this report.

Long-Term Debt At the end of the current fiscal year, Charleston County had total Certificates of Participation (COPs) and bonded debt outstanding of \$444,684. Of this amount, \$373,504 comprises debt backed by the full faith and credit of the government, \$61,985 is comprised of certificates of participation secured by the capital assets constructed with their proceeds, and \$9,195 is comprised of revenue bond debt secured solely by solid waste user fees.

In addition to the bonded debt Charleston County has signed a contract with the S.C. Infrastructure Bank to pay \$3,000 a year starting on January 1, 2004, for a period of 25 years as the County's commitment toward the new Arthur Ravenel, Jr. Bridge over the Cooper River. As of June 30, 2008, this obligation is recorded at a net present value of \$35,177 using a discount rate of 5.73%. This is the same rate the Bank is repaying its loan from the federal government, using the money received from the County.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 373,504	\$ 146,395	\$ -	\$ -	\$ 373,504	\$ 146,395
Certificates of participation	52,628	57,631	9,357	10,232	61,985	67,863
Revenue bonds	-	-	9,195	10,491	9,195	10,491
Intergovernmental note payable	35,177	36,108	-	-	35,177	36,108
Total	\$ 461,309	\$ 240,134	\$ 18,552	\$ 20,723	\$ 479,861	\$ 260,857

The County's total bonded debt increased by \$219,935 (98 percent) during the current fiscal year. This resulted from the issuance of a \$150,000 general obligation bond for the transportation and road sales tax program and the issuance of a \$75,000 general obligation bond for the capital projects program (primarily for the expansion of the adult detention facility.)

Charleston County achieved an "AAA" rating from Standard & Poor's Rating Group and maintains an "Aa1" rating from Moody's Investors Service for its most recent general obligation bonds. The certificates of participation and revenue bonds are all insured issues and are rated "AAA" by Moody's Investors Service and "AAA" by Standard & Poor's Rating Group.

South Carolina statutes limit the amount of general obligation (G.O.) debt a governmental entity may issue (without referendum) to 8 percent of its total assessed value. The current G.O. debt limit for Charleston County is \$235,740 which is significantly in excess of the County's current G.O. outstanding balance of \$136,260 subject to the debt limitations.

Additional information on the County's long-term debt can be found in Note III. I. on pages 90 through 104 of this report.

Economic Factors and Next Year's Budget Rates:

- The unemployment rate for Charleston County at the close of 2008 was 4.5%.
- The assessed value of all property in Charleston County increased by over 3.5 billion dollars in 2008.
- The operating and debt service millage remain the same for fiscal year 2009.
- The Local Option Sales Tax Credit decreased nine percent.

The General Fund budgeted revenues for fiscal year 2009 increased by \$3,931 or 2.4 percent from 2008. The major changes are:

Property Tax Revenue	\$ 6,108	10.2% Increase
Interest Income	(2,573)	56.3% Decrease

- Property tax revenue is reflective of continued growth in the County’s property tax base.
- Interest income is decreased due to declining interest rates.

The General Fund budgeted disbursements for fiscal year 2009 are decreased \$974 or 0.6 percent from fiscal year 2008. The major changes for fiscal year 2009 are:

Sheriff Law Enforcement	\$ 888	3.9% Increase
Sheriff Detention Center	594	2.0% Increase
Facilities Management	567	5.3% Increase
Technology Services	(884)	10.0% Decrease

- The largest increase in the General Fund is in the Sheriff’s Office. This reflects adding additional personnel to the detention center and rising fuel and utility costs in the law enforcement division.
- The increases in Facilities Management stem from rising fixed costs in utilities and maintenance contracts.
- The decrease in Technology Services results from cost savings realized in awarding a new management information technology contract and reduced capital spending.

Subsequent to Council approval of the fiscal year 2009 budget, the County’s finance and budget staff projected a shortfall in revenues. The Council and Administrator have taken action to reduce spending in all areas of operations. County staff will reevaluate revenues after midyear to determine if further reductions are necessary.

Requests for Information

This financial report is designed to provide a general overview of Charleston County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to the Controller's Office, 4045 Bridge View Drive, North Charleston, SC 29405-7464.



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BASIC FINANCIAL STATEMENTS



COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Non-pooled cash and cash equivalents	\$ 4,350,061	\$ 762,279	\$ 5,112,340	\$ 29,812,161
Pooled cash and cash equivalents	37,737,748	14,692,200	52,429,948	-
Pooled investments	275,507,867	650,000	276,157,867	-
Non-pooled investments	-	-	-	8,034,036
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash - current portion	-	1,300,511	1,300,511	-
Receivables (net of allowances for uncollectibles)	172,512,712	6,179,160	178,691,872	36,284,849
Due from primary government	-	-	-	481,299
Internal balances - current	(15,364,155)	15,364,155	-	-
Inventories	1,014,938	-	1,014,938	541,369
Prepaid items and deposits	393	-	393	411,967
Note receivable - internal balances	(397,192)	397,192	-	-
Deferred issuance costs	1,865,241	362,207	2,227,448	273,252
Restricted assets - non-current:				
Temporarily restricted:				
Cash and cash equivalents	75,132,996	46,024,688	121,157,684	7,453,516
Non-pooled investments	4,665,794	1,452,297	6,118,091	-
Capital assets, net of accumulated depreciation :				
Land and easements- nondepreciable	16,334,159	3,950,930	20,285,089	42,681,541
Construction in progress - nondepreciable	17,833,027	15,958,218	33,791,245	834,214
Infrastructure - nondepreciable	8,446,892	-	8,446,892	-
Artwork - nondepreciable	-	-	-	11,000
Buildings	147,844,246	18,002,275	165,846,521	57,035,911
Improvements other than buildings	1,682,092	362,049	2,044,141	19,397,796
Machinery and equipment	33,042,025	7,117,912	40,159,937	28,664,372
Infrastructure	10,351,124	-	10,351,124	34,816,350
Library materials	-	-	-	22,381,829
Accumulated depreciation	-	-	-	(73,487,031)
Total assets	792,684,968	132,576,073	925,261,041	215,628,431
LIABILITIES				
Accounts payable	9,741,534	2,940,886	12,682,420	2,192,802
Accrued payroll and fringe benefits	2,666,483	398,820	3,065,303	1,371,439
Due to component units	481,299	-	481,299	-
Intergovernmental payable	8,337,400	1,740,798	10,078,198	32,874
OPEB liability payable	4,211,804	-	4,211,804	-
Due to third parties	1,455,872	-	1,455,872	-
Interest payable	4,297,528	199,128	4,496,656	494,977
Unearned revenue	127,787,005	7,846	127,794,851	36,314,952
Noncurrent liabilities:				
Due within one year	17,403,360	3,189,735	20,593,095	6,893,815
Due in more than one year	455,577,836	19,204,267	474,782,103	35,068,906
Total liabilities	631,960,121	27,681,480	659,641,601	82,369,765
NET ASSETS				
Invested in capital assets, net of related debt	102,685,537	26,839,792	129,525,329	99,261,630
Restricted for:				
Incinerator operations	-	30,977,826	30,977,826	-
Construction and capital projects	82,343,396	5,483,333	87,826,729	-
Debt service	19,702,506	1,560,750	21,263,256	7,978,512
Transportation sales tax projects	17,974,996	-	17,974,996	-
Beach renourishment	-	-	-	219,697
Unrestricted	(61,981,588)	40,032,892	(21,948,696)	25,798,827
Total net assets	\$ 160,724,847	\$ 104,894,593	\$ 265,619,440	\$ 133,258,666

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 65,852,893	\$ 16,034,883	\$ 218,415	\$ -	\$ (49,599,595)	\$ -	\$ (49,599,595)	\$ -
Public safety	79,153,052	11,396,678	3,204,895	-	(64,551,479)	-	(64,551,479)	-
Judicial	22,201,442	8,319,231	1,351,067	-	(12,531,144)	-	(12,531,144)	-
Public works	31,011,124	4,941,336	5,180,930	-	(20,888,858)	-	(20,888,858)	-
Health and welfare	12,879,164	612,029	8,653,395	-	(3,613,740)	-	(3,613,740)	-
Economic development	3,228,377	-	2,206,282	-	(1,022,095)	-	(1,022,095)	-
Culture and recreation	53,822,207	4,003,383	-	-	(49,818,824)	-	(49,818,824)	-
Education	5,325,300	-	-	-	(5,325,300)	-	(5,325,300)	-
Interest and fiscal charges	18,461,680	-	-	-	(18,461,680)	-	(18,461,680)	-
Total governmental activities	291,935,239	45,307,540	20,814,984	-	(225,812,715)	-	(225,812,715)	-
Business-type activities:								
E 911	1,015,968	1,365,183	-	-	-	349,215	349,215	-
Solid Waste	39,064,678	43,770,682	199,924	-	-	4,905,928	4,905,928	-
Parking Garage	2,008,395	2,501,491	-	-	-	493,096	493,096	-
DAODAS	9,348,853	4,475,009	2,881,115	-	-	(1,992,729)	(1,992,729)	-
Revenue Collections	1,724,477	1,071,795	-	-	-	(652,682)	(652,682)	-
Radio Communications	1,973,647	525,126	-	-	-	(1,448,521)	(1,448,521)	-
Total business-type activities	55,136,018	53,709,286	3,081,039	0	-	1,654,307	1,654,307	-
Total primary government	\$ 347,071,257	\$ 99,016,826	\$ 23,896,023	\$ 0	(225,812,715)	1,654,307	(224,158,408)	-
Component Units:								
Charleston County Library	\$ 15,686,307	\$ 511,552	\$ 14,233,885	\$ 697,430				(243,440)
Charleston County PRC	26,243,599	11,473,808	-	14,271,063				(498,728)
Cooper River Park & Playground	238,179	-	-	-				(238,179)
James Island PSD	10,765,490	4,737,439	-	-				(6,028,051)
North Charleston District	1,424,558	-	-	-				(1,424,558)
St. Andrew's Parish Parks & Playground	3,034,425	1,625,022	6,981	-				(1,402,422)
St. John's Fire District	8,775,051	-	-	11,213				(8,763,838)
St. Paul's Fire District	4,149,445	-	-	39,515				(4,109,930)
Charleston County Fire & Rescue	403,628	-	348,856	-				(54,772)
Total component units	\$ 70,720,682	\$ 18,347,821	\$ 14,589,722	\$ 15,019,221				(22,763,918)
General Revenues:								
Property taxes					86,507,891	-	86,507,891	-
Charleston County PRC					-	-	-	15,491,273
Cooper River Park & Playground					-	-	-	176,939
James Island PSD					-	-	-	5,714,132
North Charleston District					-	-	-	1,086,771
St. Andrew's Parish Parks & Playground					-	-	-	1,344,036
St. John's Fire District					-	-	-	9,458,253
St. Paul's Fire District					-	-	-	3,211,300
Local option sales tax					44,458,297	-	44,458,297	-
Transportation tax					40,097,074	-	40,097,074	-
Accommodations tax					9,872,302	-	9,872,302	-
Franchise tax					955,712	-	955,712	88,554
Alcohol beverage tax					-	542,927	542,927	-
Merchants inventory tax and manufacturer's depreciation					1,611,561	10,832	1,622,393	1,309,252
Motor carrier tax					140,426	-	140,426	-
Unrestricted state aid to political subdivisions					17,864,865	-	17,864,865	-
Grants and contributions not restricted to specific program					-	-	-	3,587
Unrestricted investment earnings					3,749,245	2,446,082	6,195,327	1,088,704
Gain on sale of capital assets					-	65,886	65,886	18,784
Fundraising and donations					-	-	-	85,798
Miscellaneous					-	-	-	347,613
Transfers					(3,881,034)	3,881,034	-	-
Total general revenues and transfers					201,376,339	6,946,761	208,323,100	39,424,996
Change in net assets					(24,436,376)	8,601,068	(15,835,308)	16,661,078
Net assets - beginning, as restated (see Note II. B.)					185,161,223	96,293,525	281,454,748	116,597,588
Net assets - ending					\$ 160,724,847	\$ 104,894,593	\$ 265,619,440	\$ 133,258,666

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

<u>ASSETS</u>	General	Debt Service	Transportation and Road Sales Tax Special Revenue	G.O.B. Capital Projects	Other Governmental Funds	Total Governmental Funds
Non-pooled cash and cash equivalents	\$ 2,781,211	\$ -	\$ -	\$ -	\$ 1,568,850	\$ 4,350,061
Pooled cash and cash equivalents	11,774,885	-	-	-	11,781,704	23,556,589
Pooled investments	20,425,188	14,916,656	149,900,893	69,921,479	20,343,651	275,507,867
Restricted investments	-	4,665,794	-	-	-	4,665,794
Restricted cash and cash equivalents	-	21,641	74,241,318	-	870,037	75,132,996
Receivables (net of allowances for uncollectibles)	122,486,243	17,626,995	17,110,147	-	15,210,558	172,433,943
Due from other funds	1,140,667	-	-	-	-	1,140,667
Inventory	630,802	-	-	-	-	630,802
Prepaid items and deposits	393	-	-	-	-	393
Total assets	\$ 159,239,389	\$ 37,231,086	\$ 241,252,358	\$ 69,921,479	\$ 49,774,800	\$ 557,419,112
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 2,172,407	\$ 55,401	\$ 1,109,472	\$ 1,350,812	\$ 2,033,624	\$ 6,721,716
Accrued payroll and fringe benefits	2,332,133	-	23,831	-	220,981	2,576,945
Due to component units	481,299	-	-	-	-	481,299
Due to other funds	486,812	-	-	-	1,140,667	1,627,479
Intergovernmental payable	2,230,933	520	171	-	5,583,128	7,814,752
Due to third parties	1,455,872	-	-	-	-	1,455,872
Unearned revenue	105,351,556	17,472,659	-	-	6,866,482	129,690,697
Total liabilities	114,511,012	17,528,580	1,133,474	1,350,812	15,844,882	150,368,760
Fund balances:						
Reserved for inventories and prepaid items	631,195	-	-	-	-	631,195
Reserved for encumbrances	830,799	-	10,012,341	-	1,394,368	12,237,508
Reserved for debt service	-	19,702,506	-	-	-	19,702,506
Reserved for capital projects	-	-	-	68,570,667	13,774,609	82,345,276
Reserved for transportation and road sales tax special revenue fund	-	-	230,106,543	-	-	230,106,543
Unreserved:						
Designated for rainy day	8,000,000	-	-	-	-	8,000,000
Designated for subsequent years' appropriation - general fund	2,500,000	-	-	-	-	2,500,000
Designated for subsequent years' appropriation - special revenue funds	-	-	-	-	18,760,941	18,760,941
Undesignated - general fund	32,766,383	-	-	-	-	32,766,383
Total fund balances	44,728,377	19,702,506	240,118,884	68,570,667	33,929,918	407,050,352
Total liabilities and fund balances	\$ 159,239,389	\$ 37,231,086	\$ 241,252,358	\$ 69,921,479	\$ 49,774,800	\$ 557,419,112

See notes to financial statements.

County of Charleston, South Carolina
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2008

Total Governmental Fund Balances		\$407,050,352
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		224,350,211
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Deferred issuance costs	\$1,865,241	
Property taxes	<u>1,911,059</u>	
		3,776,300
Internal service funds are used by management to charge the costs of insurance, fleet and office services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		17,754,112
Elimination of indirect income and expenses between governmental funds and the enterprise funds which creates an internal balance.		(15,364,155)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(373,504,430)	
Certificates of participation	(52,628,009)	
Lease payable	(2,886,523)	
Compensated absences	(8,360,704)	
Intergovernmental note payable	(35,176,858)	
Accrued interest payable	<u>(4,285,449)</u>	
		<u>(476,841,973)</u>
 Net assets of governmental activities		 <u><u>\$160,724,847</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property, local option sales and transportation sales tax	\$ 103,923,480	\$ 17,159,389	\$ 40,097,074	\$ -	\$ 7,566,323	\$ 168,746,266
Intergovernmental	23,316,873	360,918	12,715	-	20,393,000	44,083,506
Permits and licenses	5,657,339	-	43,440	-	-	5,700,779
Fines and forfeitures	2,173,365	-	-	-	1,010,186	3,183,551
Interest	3,481,940	850,006	6,651,404	1,371,565	1,264,404	13,619,319
Service charges	20,973,166	-	-	-	11,948,824	32,921,990
Rental and use of property	668,705	-	-	-	55,281	723,986
Other revenues	4,325,194	-	-	-	1,031,128	5,356,322
Total revenues	164,520,062	18,370,313	46,804,633	1,371,565	43,269,146	274,335,719
Expenditures:						
Current:						
General government	45,991,880	-	8,432,547	-	50,000	54,474,427
Public safety	68,153,018	-	-	-	4,889,754	73,042,772
Judicial	17,869,238	-	-	-	3,077,327	20,946,565
Public works	9,421,539	-	13,192,595	-	5,948,485	28,562,619
Health and welfare	3,929,327	-	44,810	-	8,754,406	12,728,543
Economic development	470,763	-	-	-	2,759,716	3,230,479
Culture and recreation	14,103,768	-	32,747,948	-	6,576,808	53,428,524
Education	-	-	-	-	5,325,300	5,325,300
Capital outlay	-	-	-	15,940,489	7,999,792	23,940,281
Debt service	-	24,514,614	7,629,434	-	-	32,144,048
Total expenditures	159,939,533	24,514,614	62,047,334	15,940,489	45,381,588	307,823,558
Excess (deficiency) of revenues over (under) expenditures	4,580,529	(6,144,301)	(15,242,701)	(14,568,924)	(2,112,442)	(33,487,839)
Other financing sources (uses):						
Sale of General Obligation Transportations Sales Tax Bonds	-	-	150,000,000	-	-	150,000,000
Sale of General Obligation Bonds	-	-	-	75,000,000	-	75,000,000
Premium	-	-	6,838,709	3,950,307	-	10,789,016
Capital lease proceeds	-	-	-	-	100,539	100,539
Transfers in	2,836,765	8,354,726	7,784,193	-	11,268,588	30,244,272
Transfers out	(12,394,063)	(760,322)	(10,629,193)	-	(13,424,622)	(37,208,200)
Proceeds from sale of capital assets	3,577	-	-	-	43,203	46,780
Total other financing sources (uses)	(9,553,721)	7,594,404	153,993,709	78,950,307	(2,012,292)	228,972,407
Net change in fund balances	(4,973,192)	1,450,103	138,751,008	64,381,383	(4,124,734)	195,484,568
Fund balances at beginning of year	49,701,569	18,252,403	101,367,876	4,189,284	38,054,652	211,565,784
Fund balances at end of year	\$ 44,728,377	\$ 19,702,506	\$ 240,118,884	\$ 68,570,667	\$ 33,929,918	\$ 407,050,352

See notes to financial statements.

County of Charleston, South Carolina
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$195,484,568

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	\$21,139,930	
Depreciation expense	<u>(12,773,836)</u>	8,366,094

In the statement of activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets.

Cost of capital assets	7,740,000	
Accumulated depreciation	<u>(4,065,869)</u>	
Net book value	3,674,131	
Proceeds	<u>(46,780)</u>	
Loss on disposal	3,627,351	
Difference of proceeds and gain on sale		(3,674,131)

Because some property taxes and other income will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds.

Property taxes and local option sales tax	<u>302,946</u>	302,946
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities. 16,572,683

Other financing source (use) which does not provide current resources or current uses.

Capital lease proceeds		(100,539)
General Obligation Bond proceeds		(225,000,000)
Premium		(10,789,016)

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due. (1,668,595)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences payable	(673,070)	
Deferred refunding costs / Amortization of Premium	<u>(413,355)</u>	(1,086,425)

To record Internal service fund transfers 3,082,894

The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue of the internal service funds are reported with governmental activities. 244,554

Elimination of indirect income between governmental funds and the enterprise funds. (3,872,496)

The increase of governmental expenditures to avoid the doubling up of net loss from the internal service fund. (2,298,913)

Change in net assets of governmental activities (\$24,436,376)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Property, local option sales and transportation sales taxes	\$ 106,606,500	\$ 106,606,500	\$ 103,923,480	\$ (2,683,020)
Intergovernmental	21,923,145	21,923,145	23,316,873	1,393,728
Permits and licenses	5,120,050	5,120,050	5,657,339	537,289
Fines and forfeitures	2,258,000	2,258,000	2,173,365	(84,635)
Interest	4,571,000	4,571,000	3,481,940	(1,089,060)
Service charges	20,872,500	20,872,500	20,973,166	100,666
Rental and use of property	670,000	670,000	668,705	(1,295)
Other revenues	3,905,998	3,905,998	4,325,194	419,196
Total revenues	165,927,193	165,927,193	164,520,062	(1,407,131)
 <u>EXPENDITURES</u>				
Current:				
General Government:				
County Council	2,587,613	3,593,194	3,400,046	193,148
Legal	1,163,569	1,248,744	997,091	251,653
Internal Auditor	200,006	202,786	199,926	2,860
Auditor	1,689,342	1,746,723	1,735,038	11,685
Treasurer	1,563,978	1,578,200	1,587,782	(9,582)
Register Mesne Conveyance	1,995,745	1,998,498	1,851,059	147,439
Legislative Delegation	179,033	179,033	165,853	13,180
Contributions	315,000	315,000	203,500	111,500
Board of Elections & Voter Registration	1,494,836	1,516,464	1,327,934	188,530
County Administrator	940,769	861,301	779,143	82,158
Deputy Administrator of Operations	455,399	486,590	485,703	887
Deputy Administrator of Support	328,263	332,677	334,838	(2,161)
Deputy Administrator of Sales	-	-	25,428	(25,428)
Tax Transportation	-	-	25,428	(25,428)
Planning Department	1,940,554	1,884,692	1,783,295	101,397
Human Resources	1,377,910	1,387,973	1,288,016	99,957
Safety & Risk Management	2,266,760	2,195,190	2,100,671	94,519
Facilities Management	10,713,906	10,574,390	10,466,306	108,084
Capital Projects Administration	1,208,674	1,128,657	1,117,585	11,072
Assessor	3,285,012	3,224,318	2,984,308	240,010
Chief Financial Officer	426,966	454,367	453,880	487
Budget	643,709	641,685	611,587	30,098
Controller	1,070,543	1,121,844	1,096,249	25,595
Delinquent Tax	1,269,949	1,287,408	842,031	445,377
Grants Administration	765,605	763,425	693,532	69,893
Internal Services	395,943	395,943	395,938	5
Procurement	975,313	974,681	941,793	32,888
Technology Services	11,142,961	9,217,930	7,764,609	1,453,321
Organizational Development	346,765	361,273	358,739	2,534
Total general government	50,744,123	49,672,986	45,991,880	3,681,106

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Public Safety:				
Sheriff's Department	\$ 52,790,789	\$ 53,624,885	\$ 53,046,533	\$ 578,352
Building Services	1,447,856	1,460,484	1,326,224	134,260
Emergency Medical Services	13,828,347	14,013,440	13,091,677	921,763
Emergency Management	679,513	679,513	681,529	(2,016)
Consolidated Dispatch	-	49,000	7,055	41,945
Total public safety	68,746,505	69,827,322	68,153,018	1,674,304
Judicial:				
Public Defender	2,365,000	2,365,000	2,365,000	-
Clerk of Court	2,850,045	2,991,317	2,857,560	133,757
Coroner	587,786	622,965	599,690	23,275
Probate Court	1,815,189	1,864,551	1,862,618	1,933
Solicitor	4,407,565	4,521,842	4,701,866	(180,024)
Master-In-Equity	510,627	514,595	517,687	(3,092)
State Agencies	850	850	850	-
Medical Examiner's Commission	370,000	370,000	362,398	7,602
Magistrates	4,927,692	4,838,677	4,601,569	237,108
Total judicial	17,834,754	18,089,797	17,869,238	220,559
Public Works				
Public Works Department	12,360,062	9,994,904	9,421,539	573,365
Total public works	12,360,062	9,994,904	9,421,539	573,365
Health and Welfare:				
State Agencies	386,069	386,069	361,559	24,510
Public Works - Mosquito Abatement	2,169,594	2,241,237	2,046,122	195,115
Veterans Affairs	272,910	272,924	271,135	1,789
Indigent Care	1,198,873	1,366,373	1,250,511	115,862
Total health and welfare	4,027,446	4,266,603	3,929,327	337,276
Economic Development	471,435	471,435	470,763	672
Culture and Recreation:				
Charleston County Library	14,100,000	14,103,768	14,103,768	-
Total culture and recreation	14,100,000	14,103,768	14,103,768	-
Total expenditures	168,284,325	166,426,815	159,939,533	6,487,282
Excess (deficiency) of revenues over (under) expenditures	(2,357,132)	(499,622)	4,580,529	5,080,151

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Other financing sources (uses):				
Transfers In	\$ 1,637,315	\$ 1,637,315	\$ 2,836,765	\$ 1,199,450
Transfers Out	(6,657,552)	(12,394,731)	(12,394,063)	668
Proceeds from Sale of Capital Assets	-	-	3,577	3,577
	<u>(5,020,237)</u>	<u>(10,757,416)</u>	<u>(9,553,721)</u>	<u>1,203,695</u>
 Total other financing sources and (uses)				
	(5,020,237)	(10,757,416)	(9,553,721)	1,203,695
 Net change in fund balance	(7,377,369)	(11,257,038)	(4,973,192)	6,283,846
 Fund balance at beginning of year	<u>49,701,569</u>	<u>49,701,569</u>	<u>49,701,569</u>	<u>-</u>
 Fund balance at end of year	<u>\$ 42,324,200</u>	<u>\$ 38,444,531</u>	<u>\$ 44,728,377</u>	<u>\$ 6,283,846</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

<u>ASSETS</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Parking Garages	Non-Major Other Funds	Total	
Current assets:					
Non-pooled cash and cash equivalents	\$ 537,969	\$ 3,000	\$ 221,310	\$ 762,279	\$ -
Pooled cash and cash equivalents	437,039	4,296,779	9,958,382	14,692,200	14,181,159
Pooled investments	650,000	-	-	650,000	-
Restricted cash - current portion	1,300,511	-	-	1,300,511	-
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	4,546,494	43,648	1,589,018	6,179,160	78,769
Note receivable - current portion	56,693	-	-	56,693	-
Due from other funds	-	-	-	-	486,812
Inventories	-	-	-	-	384,136
Total current assets	7,528,706	4,343,427	11,768,710	23,640,843	15,255,876
Noncurrent assets:					
Restricted cash and cash equivalents	46,024,688	-	-	46,024,688	-
Restricted investments	1,452,297	-	-	1,452,297	-
	47,476,985	-	-	47,476,985	-
Notes receivable - non-current portion	340,499	-	-	340,499	-
Deferred issuance costs	199,762	96,563	65,882	362,207	-
Capital assets:					
Land	1,600,610	2,350,320	-	3,950,930	-
Buildings	3,519,525	11,859,212	9,554,391	24,933,128	1,695,683
Improvements other than buildings	580,652	-	270,255	850,907	-
Machinery and equipment	13,102,724	619,134	1,990,671	15,712,529	26,464,348
Construction in progress	15,958,218	-	-	15,958,218	-
Less accumulated depreciation	(9,621,140)	(3,284,743)	(3,108,445)	(16,014,328)	(16,976,677)
Total capital assets (net of accumulated depreciation)	25,140,589	11,543,923	8,706,872	45,391,384	11,183,354
Total noncurrent assets	73,157,835	11,640,486	8,772,754	93,571,075	11,183,354
Total assets	\$ 80,686,541	\$ 15,983,913	\$ 20,541,464	\$ 117,211,918	\$ 26,439,230

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

<u>LIABILITIES</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Parking Garages	Non-Major Other Funds	Total	
Current liabilities:					
Accounts payable	\$ 2,280,886	\$ 71,990	\$ 588,010	\$ 2,940,886	\$ 3,019,818
Accrued payroll and fringe benefits	156,982	22,396	219,442	398,820	89,538
Compensated absences - current	15,464	335	34,785	50,584	6,681
Intergovernmental payable	1,150	-	1,739,648	1,740,798	522,648
OPEB liability	-	-	-	-	4,211,804
Unearned revenue	7,846	-	-	7,846	7,367
Accrued interest payable	157,417	22,851	18,860	199,128	12,079
Note payable - current	-	-	-	-	56,693
Lease payable - current	-	-	-	-	20,578
Certificates of participation - current	-	547,242	391,398	938,640	-
Revenue bonds - current restricted	1,300,511	-	-	1,300,511	-
Accrual for landfill closure - current	900,000	-	-	900,000	-
Total current liabilities	4,820,256	664,814	2,992,143	8,477,213	7,947,206
Noncurrent liabilities:					
Note payable	-	-	-	-	340,499
Accrual for landfill closure	1,783,000	-	-	1,783,000	-
Compensated absences	524,726	44,892	539,208	1,108,826	357,375
Lease payable	-	-	-	-	40,038
Certificates of participation (net of unamortized discounts and deferred amount on refunding)	-	4,739,501	3,678,614	8,418,115	-
Revenue bonds (net of unamortized discounts) - restricted	7,894,326	-	-	7,894,326	-
Total noncurrent liabilities	10,202,052	4,784,393	4,217,822	19,204,267	737,912
Total liabilities	15,022,308	5,449,207	7,209,965	27,681,480	8,685,118
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	15,945,752	6,257,180	4,636,860	26,839,792	10,725,546
Restricted for construction	5,483,333	-	-	5,483,333	-
Restricted for incinerator operations	30,977,826	-	-	30,977,826	-
Restricted for debt service	1,560,750	-	-	1,560,750	-
Unrestricted	11,696,572	4,277,526	8,694,639	24,668,737	7,028,566
Total net assets	\$ 65,664,233	\$ 10,534,706	\$ 13,331,499	89,530,438	\$ 17,754,112
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(968,674)	
Adjustment to reflect the elimination of indirect costs charged by the governmental funds				16,332,829	
				\$ 104,894,593	

See notes to financial statements.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Parking Garages	Non-Major Other Funds	Total	
Operating revenues:					
Charges for services	\$ 2,873,230	\$ 2,501,491	\$ 10,985,770	\$ 16,360,491	\$ 36,700,196
User fees	26,065,505	-	-	26,065,505	-
Energy sales	11,603,638	-	-	11,603,638	-
Sale of recyclables	3,228,309	-	-	3,228,309	-
Other revenues	-	-	14,083	14,083	-
Total operating revenues	43,770,682	2,501,491	10,999,853	57,272,026	36,700,196
Operating expenses:					
Personnel services	6,238,953	762,613	7,098,596	14,100,162	3,392,541
Contractual services	6,478,006	296,487	2,076,349	8,850,842	3,225,179
Materials and supplies	1,173,838	41,222	813,124	2,028,184	7,864,633
Utilities	119,192	118,100	889,560	1,126,852	1,371,130
Repairs and maintenance	24,198	25,343	1,196,944	1,246,485	129,248
Rental expenses	52,870	-	225,259	278,129	293,777
Vehicle fleet charges	2,516,050	6,968	58,633	2,581,651	145,978
Employee benefits	-	-	-	-	18,908,952
Other expenses	1,371,323	60,344	3,840,010	5,271,677	943,351
Incinerator operations	10,676,239	-	-	10,676,239	-
Operator's debt	11,865,294	-	-	11,865,294	-
Depreciation and amortization	1,358,748	401,959	411,495	2,172,202	2,664,964
Landfill closure	(900,000)	-	-	(900,000)	-
Total operating expenses	40,974,711	1,713,036	16,609,970	59,297,717	38,939,753
Operating income (loss)	2,795,971	788,455	(5,610,117)	(2,025,691)	(2,239,557)
Nonoperating revenues (expenses):					
Interest income	1,964,143	167,898	314,041	2,446,082	266,337
Interest expense	(555,358)	(308,222)	(446,286)	(1,309,866)	(35,237)
Intergovernmental revenues	199,924	-	1,209,748	1,409,672	-
Gain (loss) on disposal of capital assets	65,240	1,087	(441)	65,886	125,547
Total nonoperating revenues (expenses)	1,673,949	(139,237)	1,077,062	2,611,774	356,647
Income (loss) before transfers	4,469,920	649,218	(4,533,055)	586,083	(1,882,910)
Transfers out	-	(154,958)	(1,575,000)	(1,729,958)	(1,418,873)
Transfers in	-	-	5,610,992	5,610,992	4,501,767
Change in net assets	4,469,920	494,260	(497,063)	4,467,117	1,199,984
Total net assets - beginning	61,194,313	10,040,446	13,828,562		16,554,128
Total net assets - ending	\$ 65,664,233	\$ 10,534,706	\$ 13,331,499		\$ 17,754,112
Adjustment to reflect the elimination of indirect costs charged by governmental funds				\$ 3,646,842	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				487,109	
Change in net assets of business-type activities				\$ 8,601,068	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Parking Garages	Non-Major Other Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 52,763,428	\$ 2,491,132	\$ 10,696,441	\$ 65,951,001	\$ 542,969
Cash receipts from interfund services provided	-	-	-	-	36,197,286
Cash payments to suppliers for goods and services	(57,811,477)	(598,168)	(7,003,724)	(65,413,369)	(28,243,679)
Cash payments to employees for services	(6,216,708)	(751,231)	(6,900,197)	(13,868,136)	(3,380,344)
Net cash provided by (used in) operating activities	(11,264,757)	1,141,733	(3,207,480)	(13,330,504)	5,116,232
Cash flows from noncapital financing activities:					
Transfers in	-	-	5,610,992	5,610,992	4,501,767
Transfers (out)	-	(154,958)	(1,575,000)	(1,729,958)	(1,418,873)
Intergovernmental receipt	199,924	-	1,209,748	1,409,672	-
Net cash provided by (used in) noncapital financing activities	199,924	(154,958)	5,245,740	5,290,706	3,082,894
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(1,296,392)	(527,674)	(435,521)	(2,259,587)	(96,403)
Interest paid	(577,608)	(296,594)	(244,799)	(1,119,001)	(11,879)
Interfund loan principal payment received	53,395	-	-	53,395	-
Proceeds from sale of capital assets	407,989	1,087	-	409,076	486,514
Acquisition and construction of capital assets	(2,197,301)	(47,441)	(253,063)	(2,497,805)	(3,731,906)
Net cash used in capital and related financing activities	(3,609,917)	(870,622)	(933,383)	(5,413,922)	(3,353,674)
Cash flows from investing activities:					
Interest received	1,965,766	167,898	184,720	2,318,384	266,337
Net cash provided by investing activities	1,965,766	167,898	184,720	2,318,384	266,337
Net increase (decrease) in cash and cash equivalents	(12,708,984)	284,051	1,289,597	(11,135,336)	5,111,789
Cash and cash equivalents at beginning of year	61,009,191	4,015,728	8,890,095	73,915,014	9,194,370
Cash and cash equivalents at end of year	\$ 48,300,207	\$ 4,299,779	\$ 10,179,692	\$ 62,779,678	\$ 14,306,159
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 537,969	\$ 3,000	\$ 221,310	\$ 762,279	\$ -
Pooled cash and cash equivalents	437,039	4,296,779	9,958,382	14,692,200	14,181,159
Restricted cash and cash equivalents	47,325,199	-	-	47,325,199	-
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 48,300,207	\$ 4,299,779	\$ 10,179,692	\$ 62,779,678	\$ 14,306,159

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
	Solid Waste	Parking Garages	Non-Major Other Funds		Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 2,795,971	\$ 788,455	\$ (5,610,117)	\$ (2,025,691)	\$ (2,239,557)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,358,748	401,959	411,495	2,172,202	2,664,964
Provision for landfill closure	(900,000)	-	-	(900,000)	-
Provision for uncollectible accounts	(164,387)	-	-	(164,387)	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	8,145,355	(10,359)	(303,408)	7,831,588	39,611
Increase in inventory	-	-	-	-	(52,327)
Increase (decrease) in accounts payable	(23,412,285)	(49,704)	2,096,152	(21,365,837)	4,695,607
Increase in accrued payroll	22,245	11,382	198,398	232,025	12,195
Decrease in deferred revenue	(10,404)	-	-	(10,404)	(4,261)
Decrease in accrual for landfill closure	900,000	-	-	900,000	-
Total adjustments	(14,060,728)	353,278	2,402,637	(11,304,813)	7,355,789
Net cash provided by (used in) operating activities	<u>\$ (11,264,757)</u>	<u>\$ 1,141,733</u>	<u>\$ (3,207,480)</u>	<u>\$ (13,330,504)</u>	<u>\$ 5,116,232</u>

See notes to financial statements.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2008**

ASSETS

Non-pooled cash and cash equivalents	\$ 27,730,906
Pooled cash and cash equivalents	11,696,406
Pooled investments	<u>1,707,843</u>
Total assets	<u><u>\$ 41,135,155</u></u>

LIABILITIES

Due to component units	\$ 481,299
Intergovernmental payable	13,876,957
Due to third parties	<u>26,776,899</u>
Total liabilities	<u><u>\$ 41,135,155</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2008

<u>ASSETS</u>	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD
Non-pooled cash and cash equivalents	\$ 1,974,648	\$ 21,273,960	\$ 58,089	\$ 3,596,142
Investments	-	-	-	4,659,784
Receivables (net of allowances for uncollectibles)	13,481	15,540,484	159,507	5,500,817
Due from primary government	-	(60,596)	3,027	347,057
Inventories	46,933	387,032	-	107,404
Prepaid items and deposits	148,443	44,602	-	-
Deferred issuance costs	-	-	-	257,861
Restricted Assets:				
Cash and cash equivalents	-	5,793,792	-	1,439,502
Capital Assets:				
Land and easements - nondepreciable	-	40,785,885	66,161	539,230
Buildings	-	42,023,853	183,786	1,501,339
Improvements other than buildings	-	19,316,085	-	46,964
Machinery and equipment	2,682,524	5,554,445	360,260	6,901,836
Infrastructure	-	4,693,190	-	30,123,160
Construction in progress	-	287,427	-	546,787
Library materials	22,381,829	-	-	-
Artwork - nondepreciable	11,000	-	-	-
Accumulated depreciation	(20,997,376)	(26,414,858)	(519,725)	(14,037,254)
Total assets	<u>6,261,482</u>	<u>129,225,301</u>	<u>311,105</u>	<u>41,530,629</u>
 <u>LIABILITIES</u>				
Accounts payable	582,079	1,090,742	-	356,080
Accrued payroll and fringe benefits	133,327	681,739	-	208,494
Intergovernmental payable	-	-	1,056	-
Interest payable	-	334,648	-	39,439
Unearned revenue	50,730	15,951,684	151,534	4,738,218
Noncurrent liabilities:				
Due within one year	58,140	4,681,800	-	889,746
Due in more than one year	849,550	19,012,563	-	8,814,237
Total liabilities	<u>1,673,826</u>	<u>41,753,176</u>	<u>152,590</u>	<u>15,046,214</u>
 <u>NET ASSETS</u>				
Invested in capital assets, net of related debt	4,077,977	69,303,651	90,482	16,588,582
Restricted for:				
Debt service	-	6,175,039	-	1,732,460
Beach renourishment	-	219,697	-	-
Unrestricted	509,679	11,773,738	68,033	8,163,373
Total net assets	<u>\$ 4,587,656</u>	<u>\$ 87,472,125</u>	<u>\$ 158,515</u>	<u>\$ 26,484,415</u>

See notes to financial statements.

North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Volunteer Fire & Rescue Squad Dec. 31, 2007	Totals
\$ 582,613	\$ 219,177	\$ 576,432	\$ 1,323,956	\$ 207,144	\$ 29,812,161
-	-	3,125,165	70,912	178,175	8,034,036
985,931	1,131,036	9,647,926	3,305,667	-	36,284,849
18,680	20,505	107,675	44,951	-	481,299
-	-	-	-	-	541,369
-	41,537	115,908	41,923	19,554	411,967
-	5,086	10,305	-	-	273,252
-	-	220,222	-	-	7,453,516
80,122	519,000	256,665	346,799	87,679	42,681,541
494,891	5,309,339	5,466,317	1,744,625	311,761	57,035,911
-	-	-	-	34,747	19,397,796
1,155,493	1,431,202	6,255,786	2,711,852	1,610,974	28,664,372
-	-	-	-	-	34,816,350
-	-	-	-	-	834,214
-	-	-	-	-	22,381,829
-	-	-	-	-	11,000
(1,337,156)	(2,734,800)	(4,001,548)	(2,230,021)	(1,214,293)	(73,487,031)
<u>1,980,574</u>	<u>5,942,082</u>	<u>21,780,853</u>	<u>7,360,664</u>	<u>1,235,741</u>	<u>215,628,431</u>
-	69,834	84,589	-	9,478	2,192,802
-	39,029	202,504	106,346	-	1,371,439
29,163	2,655	-	-	-	32,874
-	316	116,185	4,389	-	494,977
1,017,023	1,258,761	9,493,627	3,609,595	43,780	36,314,952
-	239,006	878,082	147,041	-	6,893,815
-	563,694	5,376,405	452,457	-	35,068,906
<u>1,046,186</u>	<u>2,173,295</u>	<u>16,151,392</u>	<u>4,319,828</u>	<u>53,258</u>	<u>82,369,765</u>
393,350	3,749,543	2,609,989	2,448,056	-	99,261,630
-	-	71,013	-	-	7,978,512
-	-	-	-	-	219,697
541,038	19,244	2,948,459	592,780	1,182,483	25,798,827
<u>\$ 934,388</u>	<u>\$ 3,768,787</u>	<u>\$ 5,629,461</u>	<u>\$ 3,040,836</u>	<u>\$ 1,182,483</u>	<u>\$ 133,258,666</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets										Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD	North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Chas County Volunteer Fire Rescue Squad Dec. 31, 2007	
Charleston County Library														
Governmental Activities														
Culture and recreation	\$ 15,686,307	\$ 511,552	\$ 14,233,885	\$ 697,430	\$ (243,440)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (243,440)
Charleston County PRC														
Governmental Activities														
General government	9,060,716	-	-	14,271,063	-	5,210,347	-	-	-	-	-	-	-	5,210,347
Culture and recreation	2,997,711	822,792	-	-	-	(2,174,919)	-	-	-	-	-	-	-	(2,174,919)
Planning and development	1,803,853	-	-	-	-	(1,803,853)	-	-	-	-	-	-	-	(1,803,853)
Interest and fiscal charges	839,651	-	-	-	-	(839,651)	-	-	-	-	-	-	-	(839,651)
Total governmental activities	14,701,931	822,792	-	14,271,063	-	391,924	-	-	-	-	-	-	-	391,924
Business-type activities														
Park operations	11,541,668	10,651,016	-	-	-	(890,652)	-	-	-	-	-	-	-	(890,652)
Total Charleston County PRC	26,243,599	11,473,808	-	14,271,063	-	(498,728)	-	-	-	-	-	-	-	(498,728)
Cooper River Park & Playground														
Governmental Activities														
General government	18,998	-	-	-	-	(18,998)	-	-	-	-	-	-	-	(18,998)
Culture and recreation	219,181	-	-	-	-	(219,181)	-	-	-	-	-	-	-	(219,181)
Total governmental activities	238,179	-	-	-	-	(238,179)	-	-	-	-	-	-	-	(238,179)
James Island PSD														
Governmental Activities														
General government	787,912	-	-	-	-	-	(787,912)	-	-	-	-	-	-	(787,912)
Public safety	3,423,005	-	-	-	-	-	(3,423,005)	-	-	-	-	-	-	(3,423,005)
Health and welfare	1,944,992	-	-	-	-	-	(1,944,992)	-	-	-	-	-	-	(1,944,992)
Total governmental activities	6,155,909	-	-	-	-	-	(6,155,909)	-	-	-	-	-	-	(6,155,909)
Business-type activities														
Wastewater	4,609,581	4,737,439	-	-	-	-	127,858	-	-	-	-	-	-	127,858
Total James Island PSD	10,765,490	4,737,439	-	-	-	-	(6,028,051)	-	-	-	-	-	-	(6,028,051)
North Charleston District														
Governmental Activities														
General government	20,098	-	-	-	-	-	-	(20,098)	-	-	-	-	-	(20,098)
Public safety	1,023,238	-	-	-	-	-	-	(1,023,238)	-	-	-	-	-	(1,023,238)
Public works	381,222	-	-	-	-	-	-	(381,222)	-	-	-	-	-	(381,222)
Total governmental activities	1,424,558	-	-	-	-	-	-	(1,424,558)	-	-	-	-	-	(1,424,558)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets									Chas County Volunteer Fire Rescue Squad Dec. 31, 2007	Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD	North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District			
St. Andrew's Parish Parks and Playground Commission															
Governmental Activities															
General government	\$ 992,704	\$ -	\$ 6,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (985,723)	\$ -	\$ -	\$ -	\$ (985,723)	
Culture and recreation	852,346	475,836	-	-	-	-	-	-	-	(376,510)	-	-	-	(376,510)	
Interest	16,812	-	-	-	-	-	-	-	-	(16,812)	-	-	-	(16,812)	
	<u>1,861,862</u>	<u>475,836</u>	<u>6,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,379,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,379,045)</u>	
Business-type activities															
Family recreation	1,172,563	1,149,186	-	-	-	-	-	-	-	(23,377)	-	-	-	(23,377)	
Total St. Andrew's Parish Parks and Playground Commission	<u>3,034,425</u>	<u>1,625,022</u>	<u>6,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,402,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,402,422)</u>	
St. John's Fire District															
Governmental Activities															
Public safety	8,775,051	-	-	11,213	-	-	-	-	-	-	(8,763,838)	-	-	(8,763,838)	
St. Paul's Fire District															
Governmental Activities															
Public safety	4,149,445	-	-	39,515	-	-	-	-	-	-	-	(4,109,930)	-	(4,109,930)	
Charleston County Volunteer Fire & Rescue Squad															
Public Safety	403,628	-	348,856	-	-	-	-	-	-	-	-	-	(54,772)	(54,772)	
Total Component Units	<u>\$ 70,720,682</u>	<u>\$ 18,347,821</u>	<u>\$ 14,589,722</u>	<u>\$ 15,019,221</u>										<u>(22,763,918)</u>	
General Revenues															
Property taxes					-	15,491,273	176,939	5,714,132	1,086,771	1,344,036	9,458,253	3,211,300	-	36,482,704	
Merchants inventory tax and manufacturer's depreciation					-	427,591	55,574	-	212,947	572,251	20,754	20,135	-	1,309,252	
Franchise fees					-	-	-	-	88,554	-	-	-	-	88,554	
Grants not restricted to specific programs					-	3,587	-	-	-	-	-	-	-	3,587	
Unrestricted investment earnings					51,263	603,451	-	255,376	14,159	-	115,994	29,623	18,838	1,088,704	
Gain on sale of capital assets					-	-	-	-	-	-	-	3,500	15,284	18,784	
Fundraising and donations					-	-	-	-	-	5,415	-	-	80,383	85,798	
Miscellaneous					-	328,287	4,497	2,629	-	-	2,993	-	9,207	347,613	
Total General Revenues					<u>51,263</u>	<u>16,854,189</u>	<u>237,010</u>	<u>5,972,137</u>	<u>1,402,431</u>	<u>1,921,702</u>	<u>9,597,994</u>	<u>3,264,558</u>	<u>123,712</u>	<u>39,424,996</u>	
Change in Net Assets					(192,177)	16,355,461	(1,169)	(55,914)	(22,127)	519,280	834,156	(845,372)	68,940	16,661,078	
Net Assets Beginning of Year					4,779,833	71,116,664	159,684	26,540,329	956,515	3,249,507	4,795,305	3,886,208	1,113,543	116,597,588	
Net Assets End of Year					<u>\$ 4,587,656</u>	<u>\$ 87,472,125</u>	<u>\$ 158,515</u>	<u>\$ 26,484,415</u>	<u>\$ 934,388</u>	<u>\$ 3,768,787</u>	<u>\$ 5,629,461</u>	<u>\$ 3,040,836</u>	<u>\$ 1,182,483</u>	<u>\$ 133,258,666</u>	

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS**

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COUNTY OF CHARLESTON, SOUTH CAROLINA
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The financial statements of the County of Charleston (County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds, governmental and business-type activities, and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2008.

B. Financial Reporting Entity

The County of Charleston, South Carolina, was established by the State of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government and provides the following services: public safety (sheriff and fire), highways and streets, sanitation, health and social services, cultural and recreational programs, public improvements, planning and zoning, courts, and general administrative services. As required by GAAP, these financial statements present the County (the Primary Government) and its component units, entities for which the County is considered to be financially accountable or for which exclusion of a component unit would render the financial statements misleading.

The Charleston Public Facilities Corporation has been included as a blended component unit because the County appoints the entire board, receives all benefits and burdens of its activities and is fiscally responsible for its operation. The Charleston Development Corporation has been included as a blended component unit because the County has a majority representation on the board and receives all of the benefits and burdens of its activities. The various discretely presented component units were included since they are fiscally dependent upon the County for the levy of property tax revenues, approval of annual operating budgets, authorization of all general obligation debt issues, or as in the case of the Charleston County Volunteer Fire and Rescue Squad, receives substantially all of their funding from the County. Blended component units, although legally separate entities, are in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. Each blended and discretely presented component unit, except for Charleston County Volunteer Fire and Rescue Squad, has a June 30 year-end. The Charleston County Volunteer Fire and Rescue Squad has a December 31 year-end.

The County appoints the board of the Charleston County Housing Authority but has not included the Authority as a component unit because there is no financial accountability or influence by the County over the Authority.

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Component units are reported in the County's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

Blended Component Units Reported with the Primary Government	Brief Description of Activities and Relationship to the County	Reporting Funds
Charleston Public Facilities Corporation Administrative Office Address: 4045 Bridge View Drive Room 429 North Charleston, SC 29405 Telephone: (843) 958-4600	Single purpose corporate entity established on July 31, 1990, which is prohibited from engaging in any business other than to construct, own and lease facilities to be used for essential County functions in connection with the issuance of tax-exempt Certificates of Participation to finance such facilities. The Corporation is governed by a Board of Directors who is appointed to staggered terms by County Council. The Corporation exists solely for the benefit of Charleston County.	Debt Service Fund - Certificates of Participation Enterprise Fund - Parking Garages DAODAS
Charleston Development Corporation Administrative Office Address: 4045 Bridge View Drive Suite B226 North Charleston, SC 29405 Telephone: (843) 958-4600	Non-Profit Corporate entity established September 16, 2004, to further human, social, and economic development in the County of Charleston, to promote a healthier and safer community, and apply for funding that the County would otherwise not be eligible to receive. The Corporation is governed by a Board of Directors which shall consist of one member of Charleston County Council, two Charleston County employees and two Charleston County citizens. The Corporation exists solely for the benefit of Charleston County.	Special Revenue Fund - Charleston Development Corporation

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
Charleston County Library (CCL) Administrative Office Address: 68 Calhoun Street Charleston, SC 29401 Telephone: (843) 805-6801	The Charleston County Library System was created by South Carolina Legislation in 1979 as part of Charleston County Government. Its primary purpose is to provide library services to the citizens of Charleston County and bookmobile services in the rural areas of the County. The Library operates under an 11 member Board of Trustees which is appointed by County Council. County Council approves the budget and all general obligation debt for the Library.

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<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities and Relationship to the County</u>
Charleston County Park and Recreation Commission (CCPRC) Administrative Office Address: 861 Riverland Drive Charleston, SC 29412 Telephone: (843) 762-2172	The Commission was created under the provisions of Act 1595 of the South Carolina Legislature on August 3, 1972. The Commission is empowered to acquire land, establish recreational facilities, and provide recreational activities within Charleston County. The Commission is governed by a seven member board which is appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.
Cooper River Park & Playground Commission (CRPPC) Administrative Office Address: PO Box 71846 N. Charleston, SC 29415 Telephone: (843) 747-0776	The Commission was created on April 27, 1942, under Act 640 of the South Carolina Legislature to provide parks and recreation facilities for use by citizens residing within the geographic boundaries of the Commission. The Commission is governed by a six member Board of Trustees appointed by the North Charleston District and the Cooper River School District. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.
North Charleston District (NCD) Administrative Office Address: P.O. Box 63009 Charleston, SC 29419 Telephone: (843) 764-3072	The District was created as a public service district in 1972 by Act 1768 of the South Carolina Legislature. The District provides fire, sanitation, street lighting, and cleaning services to the residents within its geographic boundaries. The District is governed by a nine member Commission appointed by the Governor through recommendations of the City of North Charleston and the Legislative Delegation. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.
James Island Public Service District (JIPSD) Administrative Office Address: P.O. Box 12140 Charleston, SC 29422 Telephone: (843) 795-9060	The District was created by Act 498 of the General Assembly of South Carolina in 1961. The District provides sanitation, fire protection, and sewer treatment services to the residents within its geographic boundaries. The District is governed by a seven member Commission elected by the residents of the service area. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.
St. Andrew's Parish Parks & Playground Commission (SAPPPC) Administrative Office Address: P.O. Box 31825 Charleston, SC 29407 Telephone: (843) 763-4360	The Commission was created by the General Assembly of the State of South Carolina in 1945. The Commission has the power to create, develop, maintain, and operate a system of parks and playgrounds for the use and benefit of the residents within its jurisdictional area. The Commission is governed by five members appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.

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<u>Discretely Presented Component Units</u>	<u>Brief Description of activities and relationship to the County</u>
St. John's Fire District (SJFD) Administrative Office Address: P.O. Box 56 Johns Island, SC 29457 Telephone: (843) 559-9194	The Fire District was created by Act 369 of the South Carolina General Assembly on April 9, 1959. The Fire District provides fire protection services to residents within its geographic boundaries. The Fire District is governed by a seven member commission appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Fire District.
St. Paul's Fire District (SPFD) Administrative Office Address: P.O. Box 65 Hollywood, SC 29449 Telephone: (843) 889-6450	The Fire District was formed under Act 440 of the South Carolina General Assembly in 1949. The Fire District provides fire protection services to the western portion of the County. The Fire District is governed by a seven member commission appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Fire District.
Charleston County Volunteer Fire and Rescue Squad, Inc. (CCVRS) Administrative Office Address: P.O. 5012 North Charleston, SC 24906 Telephone: (843) 225-7728	The Rescue Squad received its Charter January 30, 1973, from the State of South Carolina. The primary purpose is to provide volunteer rescue services for the citizens of Charleston County. The rescue squad is exempt from federal and state income taxation under Section 501(c) (3) of the U.S. Internal Revenue Code and is not a private foundation. The rescue squad is economically dependent on the County.

The complete financial statements for each component unit may be obtained from their administrative offices at the addresses stated above.

C. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The accounts of the County and its component units are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary, and fiduciary.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically

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associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues and all taxes are presented as general revenues of the County, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The major fund types are:

Governmental funds are used to account for general governmental activities. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - This is the primary operating fund of the County. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

General Obligation Bond Capital Projects Fund - This fund accounts for financial resources to be used to complete several construction projects funded by bond issues. These include the Azalea Auto Shop, Detention Center, Judicial Center repairs and the Radio System.

Transportation and Road Sales Tax Special Revenue Fund - This fund accounts for revenues generated by the half cent sales tax for roads, public transportation and greenbelts.

Proprietary funds reporting focus is on the determination of operating income, changes in net assets, financial position, and cash flow. Proprietary funds are classified as either enterprise or internal service. These funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

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Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business. In the enterprise funds a fee is charged to external users. The County reports the following major proprietary funds:

Solid Waste - This fund is used to account for the County's solid waste disposal operations, currently consisting of the following:

1. Incineration plant including ash disposal.
2. Landfill to dispose of incineration plant overflow and all county dry goods and construction materials.

This fund is also used to account for the County's recycling operations, which consist of the following:

1. Curbside collection of recyclables in the urban areas of the County.
2. Drop-box collection in all areas of the County.
3. Operation of materials recovery facility.
4. Yard waste mulch facility.

These services are funded from collection of a countywide user fee, sales of steam and electricity from the incineration plant, tipping fees at the landfill, and sale of recyclables.

Parking Garages - This fund is used to account for the operation, financing, and construction of parking facilities. The County has operated a 454 space parking garage adjacent to the County's administrative and court facilities, which also serves area hotels, restaurants, and others since the 1970's. During 1992 the fund received \$12,375,000 of the proceeds from Charleston Public Facilities Corporation (a component unit of the County) Certificates of Participation to construct a 1,608 space-parking garage adjacent to the Charleston Memorial Hospital. During 1996 the fund received \$8,884,000 of the proceeds from the 1995 Certificates of Participation to construct an additional 438 space parking garage adjacent to the existing City of Charleston Cumberland Street garage to service the future Judicial Center. The County assumed the operation of the existing Cumberland Street garage in April 1998 from the City of Charleston. During fiscal year 2004 the parking garage adjacent to the Charleston Memorial Hospital was sold to the Medical University Hospital Authority.

Internal Service Funds - These funds account for the financing of services provided by one department to other departments of the County, or to other governments, on a cost reimbursement basis.

Fleet Management - This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operation; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

Office Support Services - This fund is used to account for the centrally administered mail pick-up and delivery service, duplicating machines, postage metering service, and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records, and a centralized microfilming operation.

Telecommunications - This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

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Workers' Compensation - This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

Employee Benefits - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls, payments from retirees equaling 50 percent of coverage costs, payments from employees of 30 percent of dependent coverage and from investments. The fund is administered by seven trustees; the Controller and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator, and 4) Chief Deputy Administrator. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

Fiduciary fund reporting focuses on net assets and changes in net assets. This fund accounts for assets held by the entity as an agent on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's only fiduciary funds are agency funds.

Agency Funds - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections Director, Clerk of Court (who administers both Clerk of court and Family Court funds), Controller, Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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NOTES TO FINANCIAL STATEMENTS
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Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting.

Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise on the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end with respect to property taxes and one year after fiscal year-end for all other governmental revenues.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the County must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes collected within 60 days of fiscal year end, sales tax, grants, interest, accommodations fees, intergovernmental revenue, and charges for services.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance fiscal year 2009 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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F. Assets, Liabilities and Equity

1. Cash and Investments

The County maintains and controls several major cash and investment pools which the funds of the primary government share. Each fund's portion of a pool is presented on its respective balance sheets as "pooled cash and cash equivalents." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "non-pooled cash and cash equivalents" and "investments," some of which are restricted assets.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. For purposes of the Proprietary Funds' statement of cash flows, all short-term highly liquid investments, including restricted assets, with original maturities of three months or less from the date of acquisition are considered to be cash equivalents.

South Carolina State law limits investments to those authorized by South Carolina Code of Laws Section 6-5-10. These state statutes authorize investments in the following:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation.
4. Certificates of deposits and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest.
5. No load open and closed-end portfolios of certain investment companies with issues of the US Government.

The County and its component units have certain funds invested with the South Carolina State Treasurer's Office which established the South Carolina Local Government Investment Pool (the Pool) pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs which are under the custody of any county treasurer or any governing body of a political subdivision of the State may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

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Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The allowance for trade accounts receivable is computed based upon an estimate of collections within each aging category. The allowance for property taxes receivable is based upon a composite average of each delinquent tax year's collections to the outstanding balance at the beginning of the fiscal year.

The County bills and collects property taxes for itself and all other taxing entities within the County. Property taxes are recognized in the period for which they are levied and available for financing current expenditures. Property taxes receivable represent current and delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as deferred revenue and thus not recognized as revenue until collected in the governmental funds. Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 - 3 percent, February 1 - an additional 7 percent, March 16 - an additional 5 percent. On March 16, the property tax bills are turned over to the delinquent tax office and the properties are subject to sale. Taxes on licensed motor vehicles are levied during the month when the taxpayer's vehicle license registration is up for renewal. The County must provide proof of payment to the South Carolina Department of Transportation before that agency will renew the taxpayer's vehicle license.

The County charges a user fee to real property owners and certain commercial and governmental entities providing revenues for a portion of the County's solid waste collection and disposal effort (e.g., incineration, landfill and recycling). Tipping fees charged to certain commercial and governmental entities are also included. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. An allowance for uncollectible accounts is established based upon an historical estimate of the collections within each customer category: residential, commercial, governmental or housing agencies.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

In the governmental fund statements, reported inventories and prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

4. Restricted Assets

Certain assets of the County's Debt Service and Enterprise Funds and component units derived from proceeds of various General Obligation Bonds, Revenue Bonds and Certificates of Participation are set aside for their repayment or earmarked by the Trustee for specific purposes. These assets are classified as restricted assets on the balance sheet in both the government-wide and fund financial statements, because their use is limited by applicable bond covenants. All restricted assets are considered expendable.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the assets are not capitalized by governmental or business-type activities.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the year ended June 30, 2008.

All reported capital assets except land and certain infrastructure assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Buildings Improvements	10 - 45
Improvements other than buildings	10 - 45
Public Domain Infrastructure	20 - 50
Vehicles	5
Office Equipment	5 - 10
Computer Equipment	3 - 5
Other Equipment	5 - 12
Landfill Land	10 - 20
Sewer Systems	25 - 50

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

6. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred refunding costs represent the difference between the reacquisition price and the net carrying value of the refunded debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is recorded when accrued by the employee in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of the employee resignations and retirements.

8. Fund Equity

In the fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Restrictions of fund balance are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

9. Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the County's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2008, \$261,382,140 of net assets is restricted by enabling legislation.

11. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste disposal, recycling, parking garages, E-911 communication system, radio communication system, revenue collections, and the activity of the programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS), vehicle maintenance, telephone service, and insurance programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

12. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund and certain Special Revenue Funds including Accommodations, Child Support Enforcement, Economic Development, Education, Fire Districts, Hazardous Materials Enforcement, Storm Water Drainage, Sheriff, Solicitor, and Victim Notification Funds. The balance of the Special Revenue Funds and Capital Projects Funds are budgeted over the life of the grant or project. Formal budgetary policies are not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through General Obligation Bond indenture provisions and the base lease agreements governing the Certificates of Participation.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

All agencies of the County and its component units must submit requests for appropriations to the County Administrator by March 15 along with revenue estimates so that a budget may be prepared. By May 1, the proposed budgets are presented to County Council for review. The Council holds public hearings and adopts the final budgets by July 1 through passage of an ordinance.

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level and major category, i.e. personnel, non-personnel and capital outlay, are further defined in the budget document and are subject to County Administrator approval. The County Administrator is authorized to make transfers between major expenditure categories within departments and between departments within the same fund.

The administrator has further delegated to the Deputy Administrators the authority to transfer between departments. The budget ordinance must be amended by Council to effect changes in fund totals.

Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations were necessary.

The results were increases and decreases within the individual departments within the funds. All annual appropriations lapse at year-end.

Encumbrance accounting is employed in the governmental funds except for the Capital Projects funds which reserve all of their fund balances for Capital Projects. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

B. Restatement of Prior Year Fund Equities

During the fiscal year ended June 30, 2008, the County performed a comprehensive review of its capital assets and has corrected several errors from the prior years due to the overstatement/understatement of various capital asset amounts and the related accumulated depreciation in the governmental activities. This restatement is related to years prior to 2007.

	<u>Primary Governmental Activities</u>
Net Assets July 1, 2007	\$ 174,750,731
Restatements:	
Capital assets	9,000,100
Accumulated depreciation	<u>1,410,392</u>
Net Assets July 1, 2007 (as restated)	<u>\$ 185,161,223</u>

Detail of restatement:

	<u>As Originally Reported July 1, 2007</u>	<u>Adjustment</u>	<u>Restated July 1, 2007</u>
Land	\$ 3,969,604	\$12,364,555	\$ 16,334,159
Building	203,389,584	(3,455,525)	199,934,059
Machinery equipment	<u>80,953,233</u>	<u>91,070</u>	<u>81,044,303</u>
	<u>\$ 288,312,421</u>	<u>\$ 9,000,100</u>	<u>\$ 297,312,521</u>
Accumulated depreciation	<u>\$(120,982,441)</u>	<u>\$ 1,410,392</u>	<u>\$(119,572,049)</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS

A. Cash Deposits, Cash Equivalents and Investments

Custodial Credit Risk - Deposits

Custodial Credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County follows Section 6-5-15, *South Carolina Code of Law, 1976* (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit other wise meets the criteria established and prescribed by the local entity.

As of June 30, 2008, \$774,208 of the County's bank balance of \$222,681,151 was exposed to custodial credit risk as follows:

Under collateralized	\$ 51,044
Collateralized by securities held by the pledging Bank's Trust department not in the County's name	<u>\$723,164</u>
TOTAL	<u>\$774,208</u>

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2008, the County had no exposed custodial credit risk on their investments which total \$283,983,801. \$282,275,958 is reported on the Statement of Net Assets and \$1,707,843 is reported with Agency Funds. The County does not have a formal investment policy to address custodial credit risk.

The State Treasurer sells participation in the South Carolina Local Government Investment Pool to political subdivisions of the State. Funds deposited into the South Carolina Local Government Investment Pool by legally qualified entities are used to purchase investment securities as follows:

1. U.S. Government Securities (direct obligations)
2. Federal Agency Securities
3. Repurchase Agreements Secured by U.S. Government Securities and/or Federal Agency Securities
4. A1/P1 Commercial Paper (Moody's/S&P highest rating)

Funds belonging to any entity that are on deposit with the South Carolina Local Government Investment Pool represent participation units in a portfolio comprised of the above referenced securities, and the external investment pool is not rated.

It is policy of the State Treasurer's Office that no derivatives of U.S. Government Securities and/or Federal Agency Securities and/or A1/P1 Commercial Paper are to be purchased by or for the South Carolina Local Government Investment Pool.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Credit Risk

The County had \$246,126,643 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$16,935,000 has been invested in certificates of deposits or U.S. Treasuries or U.S. obligations and therefore by definition are not subject to credit risk. \$16,256,364 has been invested in debt securities of the Federal Home Loan Mortgage Corporation and \$4,665,794 has been invested in debt securities of the Federal National Mortgage Association. They are rated AAA for long-term unsecured debt and A1+ for short-term notes by Standards & Poor's.

Investment Policy

The County's Investments are carried at cost or amortized cost. Non-participating interest-earning investment contracts, such as bank certificates of deposit whose terms are not affected by changes in market rates, are stated at cost. Investment contracts that have a remaining maturity at the time of the purchase of one year or less are stated at amortized cost, provided the fair value of the investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Amortization of investment premiums and discounts is netted against investment income for financial statement purposes. Money market investments are short-term, highly liquid debt instruments including US Treasury obligations. Interest-earning investment contracts are contracts that a government enters into with a financial institution or other financial services company for which it receives interest payments.

As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy specifies limitations on instruments; diversification and maturity scheduling that are dependent upon whether the funds being invested are considered short term or long term funds. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	90% minimum
Under 18 months	100% minimum

Long-term investment maturity scheduling is timed according to anticipated needs.

The County's investments have a fair value of \$283,983,801 as of June 30, 2008.

Investments Maturity:	Fair Value as of <u>June 30, 2008</u>
Less than one year	
Federal Home Loan Mortgage Corporation:	\$ 16,256,365
Certificates of Deposits	16,935,000
SCLGIP	246,126,643
Federal National Mortgage Association	<u>4,665,793</u>
	<u>\$ 283,983,801</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Concentrations of Credit Risk

More than 5 percent of the County's investments are in US Government sponsored Agencies. Investments in Federal Home Loan Mortgage Corporation represent 5.72 percent and Federal National Mortgage Association represents 1.64 percent of the County's total investments. The remaining investments are not subject to credit risk.

Component Units

Cash Deposits, Cash Equivalents and Investments

Interest Rate Risk

The Component Units have no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

St Paul's Fire District invests in overnight repurchase agreements that total \$1,165,235 at June 30, 2008. These are uninsured and unregistered with securities held by the counterparty, or by its trust department or agent, but not in St Paul's Fire District's name. At December 31, 2007, Charleston County Volunteer Fire & Rescue Squad, Inc. had a bank balance exceeding FDIC limits by \$43,195. The Charleston County Volunteer Fire & Rescue Squad maintains cash and investments accounts with a local office of a national securities broker. The investments held by the broker are not federally insured. Thus, there is some credit risk associated with these investments. The fair value of these investments at December 31, 2007, is \$178,175. At June 30, 2008, the Charleston County Park and Recreation Commission had bank balances exceeding FDIC limits and uncollateralized of \$2,594,254.

Credit Risk

None of the component units' deposits or investments were subject to credit risk.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Concentration of Risk

The Library and St Paul's Fire District have no limit on the amount they may invest in any one issuer. The remaining component units have no formal investment policy that would limit its investment choices. None of the component units have more than 5 percent of their investments in any one issuer.

A reconciliation of cash and investments as shown on the Statement of Net Assets for the primary government and the component units and Statement of Fiduciary Net Assets for agency funds follows:

Cash on hand – primary government	\$ 32,386
Cash on hand – component units	124,501
Carrying amount of deposits - primary government	219,395,409
Carrying amount of deposits - component units	37,141,176
Carrying amount of investments - primary government	283,983,801
Carrying amount of investments – component units	8,034,036
Cash with fiscal agent – primary government	<u>125,000</u>
 Total carrying amount of cash and investments	 <u><u>\$ 548,836,309</u></u>
 Non-pooled cash and cash equivalents	 \$ 62,655,407
Pooled cash and cash equivalents	64,126,354
Restricted cash and cash equivalents	129,911,711
Pooled investments	277,865,710
Non-pooled investments	14,152,127
Cash with fiscal agent	<u>125,000</u>
 Total carrying amount of cash and investments	 <u><u>\$ 548,836,309</u></u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

B. Receivables

Receivables as of June 30, 2008, including the applicable allowances for uncollectible accounts, are as follows:

Primary government:	Governmental Funds			
	General	Debt Service	Transportation Special Revenue Fund	Non-major Governmental Funds
Receivables:				
Current property taxes	\$ 109,750,598	\$ 18,018,755	\$ -	\$ 7,110,203
Delinquent property taxes	3,141,464	794,526	-	348,616
Accounts	17,919,052	-	-	817,442
Intergovernmental	13,299,342	-	16,790,662	8,090,221
Notes	-	-	-	226,684
Interest	-	170	319,485	1,339
Gross receivables	<u>144,110,456</u>	<u>18,813,451</u>	<u>17,110,147</u>	<u>16,594,505</u>
Less allowance for uncollectibles:				
Current property taxes	5,838,732	897,334	-	445,322
Delinquent property taxes	1,157,063	289,122	-	126,910
Accounts	14,628,418	-	-	585,031
Notes	-	-	-	226,684
Gross allowance	<u>21,624,213</u>	<u>1,186,456</u>	<u>-</u>	<u>1,383,947</u>
Net total receivable	<u>\$ 122,486,243</u>	<u>\$ 17,626,995</u>	<u>\$ 17,110,147</u>	<u>\$ 15,210,558</u>

	Proprietary		Totals
	Business-type Activities	Governmental Activities- Internal Service Funds	Primary Government
Receivables:			
Current property taxes	\$ -	\$ -	\$ 134,879,556
Delinquent property taxes	-	-	4,284,606
Accounts	9,940,054	30,473	28,707,021
Intergovernmental	549,362	48,296	38,777,883
Notes	-	-	226,684
Interest	12,709	-	333,703
Gross receivables	<u>10,502,125</u>	<u>78,769</u>	<u>207,209,453</u>
Less allowance for uncollectibles:			
Current property taxes	-	-	7,181,388
Delinquent property taxes	-	-	1,573,095
Accounts	4,322,965	-	19,536,414
Notes	-	-	226,684
Gross allowance	<u>4,322,965</u>	<u>-</u>	<u>28,517,581</u>
Net total receivable	<u>\$ 6,179,160</u>	<u>\$ 78,769</u>	<u>\$ 178,691,872</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Component Units:	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>JIPSD</u>	<u>NCD</u>
Receivables:					
Current property taxes	\$ -	\$ 15,307,714	\$ 162,311	\$ 4,759,500	\$ 998,836
Delinquent property taxes	-	627,149	13,894	233,110	92,061
Accounts	13,481	162,404	-	787,207	-
Intergovernmental	-	427,473	-	-	2,159
Gross receivables	<u>13,481</u>	<u>16,524,740</u>	<u>176,205</u>	<u>5,779,817</u>	<u>1,093,056</u>
Less allowance for uncollectables:					
Current property taxes	-	757,732	10,777	241,782	66,323
Delinquent property taxes	-	226,524	5,921	12,218	40,802
Accounts	-	-	-	25,000	-
Gross allowance	-	984,256	16,698	279,000	107,125
Net total receivable	<u>\$ 13,481</u>	<u>\$ 15,540,484</u>	<u>\$ 159,507</u>	<u>\$ 5,500,817</u>	<u>\$ 985,931</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,151,863	\$ 9,856,340	\$ 3,609,595	\$ 35,846,159
Delinquent property taxes	67,362	222,151	299,246	1,554,973
Accounts	-	536	-	963,628
Intergovernmental	-	-	-	429,632
Gross receivables	<u>1,219,225</u>	<u>10,079,027</u>	<u>3,908,841</u>	<u>38,794,392</u>
Less allowance for uncollectables:				
Current property taxes	66,002	362,713	303,928	1,809,257
Delinquent property taxes	22,187	68,388	299,246	675,286
Accounts	-	-	-	25,000
Gross allowance	<u>88,189</u>	<u>431,101</u>	<u>603,174</u>	<u>2,509,543</u>
Net total receivable	<u>\$ 1,131,036</u>	<u>\$ 9,647,926</u>	<u>\$ 3,305,667</u>	<u>\$ 36,284,849</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Notes result from the sale of certain assets by the County. The County's Fleet Management Internal Service Fund has financed \$791,600 of its share of the new heavy equipment repair facility through a loan from the Solid Waste Enterprise Fund. The loan is payable in semi-annual installments of \$40,000 with interest at 6.08 percent per annum. The note matures on January 1, 2014. This note is presented as note receivable-internal balances on the statement of Net Assets for the Business-type activities.

In fiscal year 2004, County Council approved a \$400,000 non-interest bearing loan from the County's accommodations fee special revenue fund to the Convention and Visitor's Bureau to be repaid at \$40,000 per year for the next ten years. The loan was expended on the County's books when made with a corresponding entry to allowance for doubtful accounts.

The following reflects the future minimum payments receivable at June 30, 2008, under these notes receivable:

Year Ending June 30	Primary Government Business-type Activities
2009	\$ 80,001
2010	80,001
2011	80,001
2012	80,001
2013	80,001
2014	<u>80,001</u>
Total minimum note payments	480,006
Less amount representing interest	(82,814)
Present value of minimum note payments	397,192
Less current portion	(56,693)
Long-term portion	<u>\$ 340,499</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2008, was as follows:

Governmental Activities:	Balance (as Restated) <u>July 1, 2007</u>	Transfers/ Additions	Transfers/ Deletions	Balance <u>June 30, 2008</u>
Capital assets not being depreciated:				
Land	\$ 16,334,159	\$ -	\$ -	\$ 16,334,159
Construction in progress	4,279,701	16,869,832	(3,316,506)	17,833,027
Infrastructure-easements, land	<u>8,500,461</u>	<u>54,827</u>	<u>(108,396)</u>	<u>8,446,892</u>
Total capital assets not being depreciated	<u>29,114,321</u>	<u>16,924,659</u>	<u>(3,424,902)</u>	<u>42,614,078</u>
Capital assets being depreciated:				
Buildings	199,934,059	3,605,172	(5,050,185)	198,489,046
Improvements other than buildings	3,204,089	-	-	3,204,089
Machinery and equipment	81,044,303	7,330,504	(4,953,190)	83,421,617
Infrastructure	<u>36,441,041</u>	<u>548,945</u>	<u>(628,023)</u>	<u>36,361,963</u>
Total capital assets being depreciated	<u>320,623,492</u>	<u>11,484,621</u>	<u>(10,631,398)</u>	<u>321,476,715</u>
Less accumulated depreciation:				
Buildings	(47,953,019)	(4,496,096)	1,804,315	(50,644,800)
Improvements other than buildings	(1,446,933)	(75,064)	-	(1,521,997)
Machinery and equipment	(46,210,009)	(8,379,853)	4,210,270	(50,379,592)
Infrastructure	<u>(23,962,088)</u>	<u>(2,487,336)</u>	<u>438,585</u>	<u>(26,010,839)</u>
Total accumulated depreciation	<u>(119,572,049)</u>	<u>(15,438,349)</u>	<u>6,453,170</u>	<u>(128,557,228)</u>
Total capital assets being depreciated, net	<u>201,051,443</u>	<u>(3,953,728)</u>	<u>(4,178,228)</u>	<u>192,919,487</u>
Governmental activities, Total capital assets, net	<u>\$ 230,165,764</u>	<u>\$ 12,970,931</u>	<u>\$ (7,603,130)</u>	<u>\$ 235,533,565</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

	<u>Balance as July 1, 2007</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2008</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 3,950,930	\$ -	\$ -	\$ 3,950,930
Construction in progress	<u>15,953,840</u>	<u>4,378</u>	<u>-</u>	<u>15,958,218</u>
Total capital assets not being depreciated	<u>19,904,770</u>	<u>4,378</u>	<u>-</u>	<u>19,909,148</u>
Capital assets being depreciated:				
Buildings	24,933,128	-	-	24,933,128
Improvements other than buildings	850,907	-	-	850,907
Machinery and equipment	<u>14,996,148</u>	<u>2,493,427</u>	<u>(1,777,046)</u>	<u>15,712,529</u>
Total capital assets being depreciated	<u>40,780,183</u>	<u>2,493,427</u>	<u>(1,777,046)</u>	<u>41,496,564</u>
Less accumulated depreciation:				
Buildings	(6,368,781)	(562,072)	-	(6,930,853)
Improvements other than buildings	(436,813)	(52,045)	-	(488,858)
Machinery and equipment	<u>(8,518,935)</u>	<u>(1,509,539)</u>	<u>1,433,857</u>	<u>(8,594,617)</u>
Total accumulated depreciation	<u>(15,324,529)</u>	<u>(2,123,656)</u>	<u>1,433,857</u>	<u>(16,014,328)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>25,455,654</u>	<u>369,771</u>	<u>(343,189)</u>	<u>25,482,236</u>
Total capital assets, net	<u>\$ 45,360,424</u>	<u>\$ 374,149</u>	<u>\$ (343,189)</u>	<u>\$ 45,391,384</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2008

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General government	\$ 7,951,042
Public safety	2,708,253
Judicial	1,418,463
Public works	2,598,674
Health and welfare	147,405
Culture and recreation	614,512
Total	<u>\$ 15,438,349</u>

Business-type Activities:

Solid Waste	\$ 1,323,495
Parking Garages	396,354
DAODAS	257,239
E-911 Communications	127,809
Radio Communications	18,759
Total	<u>\$ 2,123,656</u>

Component Units:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital assets not being depreciated:				
Land	\$ 28,041,437	\$ 14,640,104	\$ -	\$ 42,681,541
Artwork	11,000	-	-	11,000
Construction in progress	2,339,412	1,528,335	(3,033,533)	834,214
Total capital assets not being depreciated	<u>30,391,849</u>	<u>16,168,439</u>	<u>(3,033,533)</u>	<u>43,526,755</u>
Capital assets being depreciated:				
Buildings	52,829,416	4,274,660	(68,165)	57,035,911
Improvements other than buildings	19,299,318	271,209	(172,731)	19,397,796
Machinery and equipment	26,509,019	3,095,862	(940,509)	28,664,372
Infrastructure	34,458,838	399,022	(41,510)	34,816,350
Library materials	21,835,366	1,922,234	(1,375,771)	22,381,829
Total capital assets being depreciated	<u>154,931,957</u>	<u>9,962,987</u>	<u>(2,598,686)</u>	<u>162,296,258</u>
Less accumulated depreciation	<u>(68,739,545)</u>	<u>(7,143,591)</u>	<u>2,396,105</u>	<u>(73,487,031)</u>
Total capital assets being depreciated, net	<u>86,192,412</u>	<u>2,819,396</u>	<u>(202,581)</u>	<u>88,809,227</u>
Component units				
Total capital assets, net	<u>\$ 116,584,261</u>	<u>\$ 18,987,835</u>	<u>\$ (3,236,114)</u>	<u>\$ 132,335,982</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Depreciation expense was charged to functions of the component units as follows:

General government	\$ 1,955,075
Public safety	1,130,005
Culture and recreation	2,300,291
Health and welfare	109,723
Family recreation center	135,657
Park operations	862,905
Waste water	<u>649,935</u>
Total	<u>\$ 7,143,591</u>

Construction in progress in the Governmental Activities as of June 30, 2008, is composed of the following:

Primary government:	<u>Project Authorization</u>	<u>Expended to June 30, 2008</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Radio System Phase II	\$ 2,400,000	\$ 934,029	\$ 1,210,399	General obligation bonds
Consolidated Dispatch Center	15,000,000	72,955	-	General obligation bonds
Jail Modular Temporary Housing	4,500,000	4,401,239	31,888	None
Permitting & Inspection Software	585,500	148,134	388,449	None
Property Tax Software	2,000,000	445,983	1,268,123	None
Law Enforcement Software	1,500,000	734,056	693,308	None
Fleet Auto Shop	4,910,000	2,194,208	2,148,003	General obligation bonds
Adult Detention Facility	99,200,000	8,431,795	82,986,438	General obligation bonds
K9 facilities/impound lot	<u>1,170,000</u>	<u>470,628</u>	<u>503,639</u>	General obligation bonds
Total primary government	<u>\$ 131,265,500</u>	<u>\$ 17,833,027</u>	<u>\$ 89,230,247</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2008, the County has assets under capital lease with a total cost of \$5,751,813 and a net book value of \$3,826,586. The assets are computer equipment depreciated over a three to five year period and included in the County's machinery and equipment capital asset category. Also included is a capital lease for the Lee Building which is being depreciated over a 45 year period. This asset is included in the buildings capital asset category.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Construction in progress as of June 30, 2008, in the Business-type activities is composed of the following:

	<u>Project Authorization</u>	<u>Expended to June 30, 2008</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Primary government:				
Solid Waste Lined Landfill	\$ 16,117,966	\$ 15,958,218	\$ 159,748	None
Total primary government	<u>\$ 16,117,966</u>	<u>\$ 15,958,218</u>	<u>\$ 159,748</u>	
Component Unit:				
CCPRC				
Remley's Point boat landing	\$ 530,550	\$ 73,440	\$ 343,744	None
Beach Walker erosion control	240,000	34,415	-	None
CRM comprehensive study	15,400	15,400	-	None
Limehouse boat landing	42,000	19,073	16,917	None
Cherry Point boat landing	98,450	12,418	11,022	None
James Island playground renovations	400,000	17,127	23,573	None
Palmetto Island playground renovations	400,000	21,970	17,330	None
Palmetto Island access master plan	40,000	3,327	673	None
Palmetto Island canoe launch	53,000	2,717	3,783	None
James Island trail crossing	15,000	6,047	318	None
Palmetto Island paving	26,477	7,550	700	None
Headquarters generator	22,000	4,300	625	None
Palmetto Island deck	130,410	67,390	6,250	None
CRM breakwater repair	<u>50,000</u>	<u>2,253</u>	<u>-</u>	None
Total CCPRC	<u>2,063,287</u>	<u>287,427</u>	<u>424,935</u>	
JIPSD				
Waste water upgrade	636,622	546,787	89,835	Impact fees
Ellis Creek project	234,825	-	-	Impact fees
Pump Station 49	<u>78,126</u>	<u>-</u>	<u>-</u>	Impact fees
Total JIPSD	<u>949,573</u>	<u>546,787</u>	<u>89,835</u>	
Total Component Units	<u>\$ 3,012,860</u>	<u>\$ 834,214</u>	<u>\$ 514,770</u>	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2008, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 1,140,667	\$ 486,812
Non-major governmental funds	-	1,140,667
Internal service funds	<u>486,812</u>	<u>-</u>
Total	<u>\$ 1,627,479</u>	<u>\$ 1,627,479</u>

Inter-fund activity relates to funding from the County's General Fund related to County policies for cash flow and operating cash levels of governmental funds, and are expected to be collected within one year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer Out
Major governmental funds:		
General Fund	\$ 2,836,765	\$ (12,394,063)
Debt Service Fund	8,354,726	(760,322)
Transportation and road sales tax	7,784,193	(10,629,193)
Non-major governmental funds	11,268,588	(13,424,622)
Major business-type activities:		
Parking Garage	-	(154,958)
Non-major business-type activities	5,610,992	(1,575,000)
Internal Service Funds	4,501,767	(1,418,873)
Total	\$ 40,357,031	\$ (40,357,031)

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Leases

Operating Leases

In March 2008 the Charleston County Library entered into a new lease agreement for copiers. The lease agreement is for a sixty-month period commencing January 2008, with a minimum monthly charge of \$12,450, for a total minimum commitment of \$747,000 over the term of the lease. In addition to this lease the Library holds other verbal agreements with various parties for the rental of Library branches. These leases run on a month-to-month basis and are cancelable by either party. Rental expense associated with the copier and facilities leases for the year ended June 30, 2008, is \$156,401.

Future minimum lease payments under these non-cancelable operating leases are as follows:

Year Ending June 30	CCL
2009	\$ 149,400
2010	149,400
2011	149,400
2012	149,400
2013	149,400
	\$ 747,000

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

G. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the County to place a final cover on its Romney Street and Bees Ferry landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,683,000 reported as the accrual for landfill closure and post-closure at June 30, 2008, represents the estimated remaining cost reported of \$19,673,000 less \$16,990,000 deferred to date based on the following information:

Landfill Site	Percentage Of Capacity Used	Estimated Costs Recognized			Balance To Be Recognized
		Closure	Postclosure	Total	
Romney Street	100%	\$ 5,244,478	\$ 1,319,200	\$ 6,563,678	\$ -
Bees Ferry:					
Ash storage facility	100%	929,018	448,500	1,377,518	-
72 acres	100%	6,038,809	-	6,038,809	-
68 acres	100%	6,190,000	3,537,000	9,727,000	-
Bees Ferry lined landfill	8.31%	1,126,040	413,960	1,540,000	16,990,000
Totals		<u>\$19,528,345</u>	<u>\$ 5,718,660</u>	<u>\$ 25,247,005</u>	<u>\$ 16,990,000</u>

These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2008. The County began to close the Landfills in 1994. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County anticipates that available resources will be the primary source of funds to pay the cost of closure.

The County has issued under separate cover, a certification signed by its Chief Financial Officer stating compliance with final Environmental Protection Agency regulations regarding financial assurance for operators of Municipal Solid Waste Landfill Facilities, including a required statement from our independent auditors. The computations required under these regulations are included in Page 198 in the statistical section of this report.

H. Short-term Debt

The County had no short-term borrowings during the fiscal year. Some of the County's component units use short-term tax anticipation notes to finance general operating expenditures during the fiscal year ended June 30, 2008. James Island PSD borrowed \$600,000 at 4.0 percent interest per annum from its enterprise fund. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
JIPSD	\$ -	\$ 600,000	\$ 600,000	\$ -
SJFD	-	500,000	500,000	-
SAPPPC	-	300,000	300,000	-
	<u>\$ -</u>	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2008.

Primary Government:	Balance July 1, 2007	Increase	Decrease	Balance June 30, 2008	Amounts Due in One Year
Governmental activities					
General obligation bonds	\$146,394,774	\$ 235,789,016	\$ 8,679,360	\$ 373,504,430	\$ 10,059,861
Certificates of participation	57,631,034	-	5,003,025	52,628,009	5,314,607
Intergovernmental note payable	36,107,877	-	931,019	35,176,858	984,366
Capital lease payable	3,873,002	100,539	1,026,402	2,947,139	718,053
Compensated absences	8,054,666	996,567	326,473	8,724,760	326,473
Total	<u>\$252,061,353</u>	<u>\$ 236,886,122</u>	<u>\$15,966,279</u>	<u>\$ 472,981,196</u>	<u>\$ 17,403,360</u>
Business-type activities					
Certificates of participation	\$ 10,231,634	\$ -	\$ 874,879	\$ 9,356,755	\$ 938,640
Revenue bonds	10,491,229	-	1,296,392	9,194,837	1,300,511
Accrual for landfill closure	3,583,000	-	900,000	2,683,000	900,000
Compensated absences	989,837	220,157	50,584	1,159,410	50,584
Total	<u>\$ 25,295,700</u>	<u>\$ 220,157</u>	<u>\$ 3,121,855</u>	<u>\$ 22,394,002</u>	<u>\$ 3,189,735</u>

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences are generally liquidated from the applicable governmental fund's budgeted operations monies.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

General Obligation Bonds. The County and its component units issue General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the County.

Primary government General Obligation Bonds payable at June 30, 2008, are comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
September 30, 1999	General Obligation Improvement and Refunding Bonds, Series 1999, 5.00 percent to 6.125 percent interest, semi-annual principal and interest payments beginning in 2000, matures 2019, the first principal payment was paid in fiscal year 2003. These bonds were partially refunded in April 2004.	\$ 49,360,000	\$ 20,295,000
May 1, 2001	General Obligation Refunding and Capital Improvement Bonds, Series 2001, 4.10 percent to 5.25 percent interest, semi-annual principal and interest payments beginning in 2001, matures 2021, the first principal payment was due in fiscal year 2004. These bonds were partially refunded in April 2004.	30,000,000	5,640,000
April 2, 2004	General Obligation Refunding Bonds, Series 2004, 2.00 percent to 4.00 percent interest, semi-annual principal and interest payments beginning in 2004, matures 2021, the first principal payment was due in fiscal year 2005.	63,740,000	48,705,000
May 2, 2006	General Obligation Transportation Sales Tax Bonds, Series 2006 (referendum) 4.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2006, matures 2027; the first annual principal payment was due in fiscal year 2008.	65,000,000	63,090,000
December 5, 2007	General Obligation Bonds, Series 2007, 4.30 percent to 5.0 percent interest, semi-annual interest payments beginning in May 2008, matures 2028; the first annual principal payment is due in fiscal year 2010.	75,000,000	75,000,000
December 5, 2007	General Obligation Transportation Sales Tax Bonds, Series 2007 (referendum), 4.00 percent to 5.25 percent interest, semi-annual interest payments beginning in May 2008, matures 2027; the first annual principal payment is due in fiscal year 2010.	150,000,000	150,000,000
Subtotal		<u>\$ 433,100,000</u>	<u>362,730,000</u>
Less: Deferred refunding cost			(2,722,063)
Add: Premium			13,496,493
General obligation debt per statement of net assets			<u>373,504,430</u>
Less current portion, including deferred refunding cost and premium			(10,059,861)
Long-term portion outstanding			<u>\$ 363,444,569</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Certificates of Participation. The County issues Certificates of Participation through the Charleston Public Facilities Corporation, a blended component unit, to finance the acquisition of essential government facilities. The Certificates have been issued for both governmental and proprietary fund activities and are reported in the proprietary fund if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities.

Primary government Certificates of Participation payable at June 30, 2008, is comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
November 1, 1995	Certificates of Participation, Series 1995, Charleston Public Facilities Corporation, 3.80 percent to 6.00 percent interest, semi-annual principal and interest payments beginning in 1996, matures 2021. These bonds were partially refunded in May 2004.	\$ 85,000,000	\$ 8,885,000
May 1, 2004	Certificates of Participation, Series 2004, Charleston Public Facilities Corporation, 2.00 percent to 5.00 percent interest, semi-annual principal and interest payments beginning in 2004, matures 2016.	44,160,000	33,590,000
March 3, 2005	Certificates of Participation, Series 2005, Charleston Public Facilities Corporation, 5.00 percent to 5.125 percent interest, semi-annual interest payments beginning in 2005, annual principal payments beginning in 2011, matures 2019.	<u>19,945,000</u>	<u>19,945,000</u>
Subtotal		<u>\$ 149,105,000</u>	62,420,000
Less: Discount applicable to business-type activities			(7,290)
Deferred refunding cost			(2,635,924)
Add: Premium			<u>2,207,978</u>
Certificate of participation debt per statement of net assets			61,984,764
Less current portion, including deferred refunding cost, premium and discount			<u>(6,253,247)</u>
Long-term portion outstanding			<u>\$ 55,731,517</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Revenue Bonds. The County issued \$22,570,000 Solid Waste User Fee Revenue Bonds on October 12, 1994. Proceeds of this issue were to be used to reimburse the County for the acquisition of equipment previously financed through a \$9.5 million bond anticipation note; finance construction costs related to closure of the Romney Street and Bees Ferry landfills; fund the design and approval process for permitting a new landfill site; and partially fund a heavy equipment repair facility. These bonds are expected to be repaid from the countywide user fee assessment. The revenue bonds were refunded in fiscal year 2004.

Primary government Revenue Bonds payable at June 30, 2008, is comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
May 4, 2004	Charleston County Solid Waste User Fee Revenue Refunding Bonds, Series 2004, 2.00 percent to 5.00 percent interest, semi-annual principal and interest payments beginning in 2005, matures in 2014.	\$ 14,525,000	\$ 9,445,000
		<u>\$ 14,525,000</u>	9,445,000
	Less: Deferred refunding cost applicable to business-type activities		(534,540)
	Add: Premium applicable to business-type activities.		284,377
	Revenue bond debt per statement of net assets		<u>9,194,837</u>
	Less current portion, including deferred refunding cost and premium		<u>(1,300,511)</u>
	Long-term portion outstanding		<u>\$ 7,894,326</u>

Notes Payable. The County's Fleet Management Internal Service Fund has issued a note payable to the Solid Waste Enterprise Fund for \$791,600 payable from Debt Service Fund transfers to the Fleet Management Internal Service Fund. This transaction is an exception to the County's policy on interfund loans which is defined in Note 1.F.12.

Primary government note payable at June 30, 2008, is comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
April 1, 1999	Solid Waste Revenue Bond Fund Promissory Note, semi-annual payments of \$40,000 including interest at 6.08 percent, matures in 2014.	\$ 791,600	\$ 397,192
	Less current portion	<u>\$ 791,600</u>	<u>(56,693)</u>
	Debt per statement of net assets		<u>\$ 340,499</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Annual requirements to amortize primary government notes payable outstanding at June 30, 2008, are as follows:

Year Ending June 30	Internal Service Fund	Principal	Interest
2009	\$ 80,001	\$ 56,692	\$ 23,309
2010	80,001	60,193	19,808
2011	80,001	63,910	16,091
2012	80,001	67,856	12,145
2013	80,001	72,046	7,955
2014	80,001	76,495	3,506
Total	<u>\$ 480,006</u>	<u>\$ 397,192</u>	<u>\$ 82,814</u>

Intergovernmental Note Payable. In July 2001 the County entered into an intergovernmental loan agreement with the South Carolina Transportation Infrastructure Bank to fund a portion of the cost of the new Arthur Ravenel, Jr. Bridge over the Cooper River. The County has agreed to pay \$3,000,000 per year for the next twenty-five years. The County has recorded the obligation on its records at a net present value using the discount rate of 5.73 percent.

Annual requirements to amortize the intergovernmental note payable outstanding at June 30, 2008, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
2009	\$ 3,000,000	\$ 984,366	\$ 2,015,634
2010	3,000,000	1,040,770	1,959,230
2011	3,000,000	1,100,406	1,899,594
2012	3,000,000	1,163,460	1,836,540
2013	3,000,000	1,230,126	1,769,874
2014-2018	15,000,000	7,292,254	7,707,745
2019-2023	15,000,000	9,635,023	5,364,977
2024-2028	15,000,000	12,730,453	2,269,547
Total	<u>\$ 60,000,000</u>	<u>\$ 35,176,858</u>	<u>\$ 24,823,142</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Capital Lease Obligations. Several component units have utilized capital leases to finance the acquisition of various types of equipment. The details of each entity's capital leasing activities are summarized later in this note.

The County uses capital lease funding to finance the purchase of various equipment and a building. Capital leases outstanding at June 30, 2008, include the following:

<u>Governmental Activities</u>	<u>Original</u>	<u>Outstanding</u>
Lease dated March 2006 payable to Ontario Investments Inc, for the purchase of new computers. Payable in six equal payments of \$145,870 through November 2008 and includes principal and interest at 1.8 percent to 3.7 percent per annum.	\$ 841,831	\$ 139,269
Lease dated November 2004 payable to Chicora Center, Inc. for the purchase of the building at 3366 Rivers Ave. Payable in 120 monthly payments of \$25,725 through October 2014 and includes principal and interest at 5.0 percent per annum.	2,425,425	1,672,852
Leases dated August 2006 to February 2007 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in six equal installments of \$98,639 through November 2009, includes principal and interest at 2.26 percent to 3.042 percent per annum.	567,698	233,745
Lease dated June 2007 payable to Bank of America for the purchase of new fire trucks. Payable in seven annual installments of \$144,656 through June 2014, includes principal and interest at 4.19 percent per annum.	862,105	753,589
Lease dated April 2008 payable to Ontario Investments, Inc. for the purchase of EMS computer equipment. Payable in eight equal installments of \$13,990 through December 2011, includes principal and interest at 6.059 percent per annum.	100,539	87,068
<u>Internal Service Fund</u>		
Lease dated February 2006 payable to IKON for the purchase of color copiers. Payable in sixty equal payments of \$2,357 through April 2011 and includes principal and interest at 15.35 percent per annum.	100,110	60,616
	<u>\$ 4,897,708</u>	<u>2,947,139</u>
Less current portion		<u>(718,053)</u>
Long-term portion outstanding		<u>\$ 2,229,086</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 718,053	\$ 133,366	\$ 851,419
2010	450,068	102,116	552,184
2011	419,439	79,154	498,593
2012	408,945	58,405	467,350
2013	414,413	38,948	453,361
2014-2015	536,221	20,040	556,261
Total	<u>\$ 2,947,139</u>	<u>\$ 432,029</u>	<u>\$ 3,379,168</u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2008, excluding notes payable and accrued compensated absences, are as follows:

Year Ending June 30	General Obligation Bonds		Certificates Of Participation		Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2009	\$ 9,465,000	\$ 16,575,582	\$ 6,320,000	\$ 3,073,281	\$ 1,405,000	\$ 472,250	\$ 37,311,113
2010	12,090,000	16,146,318	6,635,000	2,749,806	1,480,000	402,000	39,503,124
2011	10,220,000	15,677,419	7,740,000	2,377,856	1,555,000	328,000	37,898,275
2012	11,300,000	15,174,732	4,340,000	2,036,781	1,630,000	250,250	34,731,763
2013	12,480,000	14,586,954	4,270,000	1,833,119	1,710,000	168,750	35,048,823
2014	13,755,000	13,921,597	4,490,000	1,633,050	1,665,000	83,250	35,547,897
2015	15,120,000	13,193,680	4,690,000	1,414,393	-	-	34,418,073
2016	16,490,000	12,432,103	4,920,000	1,178,768	-	-	35,020,871
2017	18,010,000	11,633,184	5,190,000	927,787	-	-	35,760,971
2018	19,650,000	10,748,984	5,450,000	663,513	-	-	36,512,497
2019	21,445,000	9,775,658	4,135,000	385,945	-	-	35,741,603
2020	23,365,000	8,766,508	2,820,000	177,000	-	-	35,128,508
2021	19,725,000	7,784,595	1,420,000	35,500	-	-	28,965,095
2022	21,015,000	6,779,657	-	-	-	-	27,794,657
2023	21,030,000	5,787,339	-	-	-	-	26,817,339
2024	22,955,000	4,799,177	-	-	-	-	27,754,177
2025	25,015,000	3,722,890	-	-	-	-	28,737,890
2026	27,210,000	2,541,237	-	-	-	-	29,751,237
2027	29,550,000	1,258,730	-	-	-	-	30,808,730
2028	<u>12,840,000</u>	<u>296,925</u>	-	-	-	-	<u>13,136,925</u>
Totals	362,730,000	191,603,269	62,420,000	18,486,799	9,445,000	1,704,500	646,389,568
Less amount in Business-type activities before discounts and deferred costs	-	-	<u>(9,784,844)</u>	<u>(2,861,106)</u>	<u>(9,445,000)</u>	<u>(1,704,500)</u>	<u>(23,795,450)</u>
Subtotal	<u>362,730,000</u>	<u>191,603,269</u>	<u>52,635,156</u>	<u>15,625,693</u>	-	-	<u>622,594,118</u>
Less discounts and deferred refunding costs	(2,722,063)	-	(1,913,783)	-	-	-	(4,635,846)
Add Premiums	<u>13,496,493</u>	-	<u>1,906,636</u>	-	-	-	<u>15,403,129</u>
Total debt- governmental activity	<u>\$373,504,430</u>	<u>\$191,603,269</u>	<u>\$52,628,009</u>	<u>\$ 15,625,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,361,401</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The annual debt service related to that portion of long-term debt recorded in the primary government's Business-type activities is as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Certificates</u> <u>Of Participation</u>		<u>Revenue Bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ 1,020,490	\$ 486,315	\$ 1,405,000	\$ 472,250	\$ 3,384,055
2010	1,074,263	431,994	1,480,000	402,000	3,388,257
2011	1,229,122	370,675	1,555,000	328,000	3,482,797
2012	682,257	317,467	1,630,000	250,250	2,879,974
2013	679,651	285,055	1,710,000	168,750	2,843,456
2014	715,301	252,786	1,665,000	83,250	2,716,337
2015	748,083	217,766	-	-	965,849
2016	784,692	180,218	-	-	964,910
2017	827,667	140,152	-	-	967,819
2018	869,367	97,953	-	-	967,320
2019	613,117	53,620	-	-	666,737
2020	359,706	22,577	-	-	382,283
2021	<u>181,128</u>	<u>4,528</u>	<u>-</u>	<u>-</u>	<u>185,656</u>
Subtotal	9,784,844	2,861,106	9,445,000	1,704,500	23,795,450
Less discounts and deferred refunding costs	(729,431)	-	(534,540)	-	(1,263,971)
Add Premiums	<u>301,342</u>	<u>-</u>	<u>284,377</u>	<u>-</u>	<u>585,719</u>
Total business-type activities debt	<u>\$ 9,356,755</u>	<u>\$ 2,861,106</u>	<u>\$ 9,194,837</u>	<u>\$ 1,704,500</u>	<u>\$ 23,117,198</u>

The 1995, 2004, and 2005 Certificates and related trust agreements require the establishment of 1) a debt service reserve fund or surety bond, to maintain amounts equal to the next semi-annual principal and interest payment, and 2) a payment fund for use in disbursing the semi-annual payments.

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as types of investments, promise to levy tax sufficient to cover debt service and establishment of a sinking fund. The County is in compliance with all significant limitations and restrictions as of June 30, 2008.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Conduit (No Commitment) Debt. The County is authorized and empowered under and pursuant to the Code of Laws of South Carolina to acquire or cause to be acquired and in connection therewith to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties to promote the public health and welfare of the people of the State of South Carolina and/or to promote the commercial development of the State. To accomplish these objectives the County has issued Revenue Bonds to provide financial assistance to private sector entities. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The County has issued these conduit debt obligations for Hospital and Health Care, Industrial, Solid Waste, and Pollution Control facilities.

The following is a summary of the County's conduit debt at June 30, 2008:

Number of Issues	Current Amount Outstanding (in millions)	Original Issue Amount (in millions)
11	\$382	\$490

The following is a summary of the changes in long-term obligations of the component units for the year ended June 30, 2008:

Component Units:	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>	<u>Amounts Due in One year</u>
Accrued compensated absences	\$ 2,600,571	\$ 870,658	\$ (639,791)	\$ 2,831,438	\$ 1,248,939
Net other post employment benefits	-	1,093,481	-	1,093,481	-
General obligation bonds	22,836,786	-	(2,328,563)	20,508,223	2,819,383
Capital lease obligations	9,438,809	2,813,825	(1,977,710)	10,274,924	2,151,197
Revenue bonds	7,754,078	-	(586,827)	7,167,251	606,676
Notes payable	<u>157,598</u>	<u>-</u>	<u>(70,194)</u>	<u>87,404</u>	<u>67,620</u>
Total	<u>\$ 42,787,842</u>	<u>\$ 4,777,964</u>	<u>\$ (5,603,085)</u>	<u>\$ 41,962,721</u>	<u>\$ 6,893,815</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008
Accrued compensated absences:						
CCL			\$ 861,903	\$ 586,410	\$ (540,623)	\$ 907,690
CCPRC			722,357	76,600	-	798,957
JIPSD			321,527	6,310	(4,780)	323,057
SAPPPC			22,219	5,284	-	27,503
SJFD			578,177	88,856	-	667,033
SPFD			<u>94,388</u>	<u>107,199</u>	<u>(94,388)</u>	<u>107,199</u>
Total accrued compensated absences			<u>2,600,571</u>	<u>870,658</u>	<u>(639,791)</u>	<u>2,831,439</u>
Net other post employment benefits:						
CCPRC			-	378,935	-	378,935
JIPSD			-	347,446	-	347,446
SPFD			<u>-</u>	<u>367,100</u>	<u>-</u>	<u>367,100</u>
Total net other post employment benefits			<u>-</u>	<u>1,093,481</u>	<u>-</u>	<u>1,093,481</u>
General obligation bonds:						
CCPRC	2009 - 2015	2.00% - 6.75%	22,396,636	-	(2,286,636)	20,110,000
JIPSD	2009 - 2037	4.30% - 7.625%	<u>440,150</u>	<u>-</u>	<u>(41,927)</u>	<u>398,223</u>
Total general obligation bonds			<u>22,836,786</u>	<u>-</u>	<u>(2,328,563)</u>	<u>20,508,223</u>
Capital lease obligations:						
CCPRC	2009 - 2010	2.05% - 4.41%	1,812,946	1,400,000	(806,475)	2,406,471
JIPSD	2009 - 2016	4.07% - 6.88%	1,178,931	1,277,225	(424,265)	2,031,891
SAPPPC	2009 - 2008	4.67%	19,597	136,600	(32,288)	123,909
SJFD	2009 - 2021	3.695% - 5.593%	6,263,854	-	(676,400)	5,587,454
SPFD	2009 - 2011	4.67%	<u>163,481</u>	<u>-</u>	<u>(38,282)</u>	<u>125,199</u>
Total capital lease obligations			<u>9,438,809</u>	<u>2,813,825</u>	<u>(1,977,710)</u>	<u>10,274,924</u>
Revenue Bonds:						
SAPPPC	2009 - 2016	3.95% - 3.99%	667,627	-	(103,742)	563,885
JIPSD	2009 - 2037	3.60% - 5.75%	7,724,765	-	(541,556)	7,183,209
Less deferred refunding costs			<u>(638,314)</u>	<u>-</u>	<u>58,471</u>	<u>(579,843)</u>
Total revenue bonds			<u>7,754,078</u>	<u>-</u>	<u>(586,827)</u>	<u>7,167,251</u>
Notes payable						
SAPPPC	2008 - 2010	3.89% - 5.81%	<u>157,598</u>	<u>-</u>	<u>(70,194)</u>	<u>87,404</u>
Total component units long-term obligations			<u>\$42,787,842</u>	<u>\$ 4,777,964</u>	<u>\$ (5,603,085)</u>	<u>\$ 41,962,721</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The annual debt service requirements to maturity for component unit long-term obligations, excluding compensated absences, are as follows:

General Obligation Bonds:

Year Ending June 30	CCPRC	JIPSD	Total Component Units
2009	\$ 3,567,189	\$ 30,902	\$ 3,598,091
2010	3,038,639	30,902	3,069,541
2011	2,413,991	30,902	2,444,893
2012	2,495,791	30,902	2,526,693
2013	2,771,391	30,902	2,802,293
2014-2018	7,954,663	154,510	8,109,173
2019-2023	1,895,974	136,049	2,032,023
2024-2028	-	113,130	113,130
2029-2033	-	113,130	113,130
2034-2037	-	77,252	77,252
Total	24,137,638	748,581	24,886,219
Less interest and plus unamortized premium included above	<u>(4,027,638)</u>	<u>(350,358)</u>	<u>(4,377,996)</u>
Debt per statement of net assets	<u>\$ 20,110,000</u>	<u>\$ 398,223</u>	<u>\$ 20,508,223</u>

Future minimum capital lease payments:

Year Ending June 30	CCPRC	JIPSD	SAPPPC	SJFD	SPFD	Total Component Units
2009	\$1,138,509	\$ 455,054	\$ 39,669	\$ 904,040	\$ 45,694	\$ 2,582,966
2010	881,983	455,053	39,670	819,722	45,694	2,242,122
2011	488,984	407,410	36,453	819,722	45,694	1,798,263
2012	-	353,806	15,634	749,982	-	1,119,422
2013	-	291,617	-	589,627	-	881,244
2014-2018	-	317,577	-	2,489,975	-	2,807,552
2019-2021	-	-	-	952,070	-	952,070
Future minimum capital lease payments	2,509,476	2,280,517	131,426	7,325,138	137,082	12,383,639
Less amount representing interest	<u>(103,005)</u>	<u>(248,626)</u>	<u>(7,517)</u>	<u>(1,737,684)</u>	<u>(11,883)</u>	<u>(2,108,715)</u>
Debt per statement of net assets	<u>\$2,406,471</u>	<u>\$ 2,031,891</u>	<u>\$ 123,909</u>	<u>\$ 5,587,454</u>	<u>\$ 125,199</u>	<u>\$ 10,274,924</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Revenue Bonds:

<u>Year ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	<u>Total Component Units</u>
2009	\$ 864,816	\$ 128,329	\$ 993,145
2010	869,940	128,329	998,269
2011	867,140	105,752	972,892
2012	873,739	60,605	934,344
2013	874,338	60,605	934,943
2014-2018	3,707,595	151,509	3,859,104
2019-2023	727,409	-	727,409
2024-2028	298,320	-	298,320
2029-2033	234,147	-	234,147
2034-2038	<u>92,786</u>	<u>-</u>	<u>92,786</u>
Total	9,410,230	635,129	10,045,359
Less interest and deferred refunding costs included above	<u>(2,806,864)</u>	<u>(71,244)</u>	<u>(2,878,108)</u>
Debt per statement of net assets	<u>\$ 6,603,366</u>	<u>\$ 563,885</u>	<u>\$ 7,167,251</u>

Notes Payable:

<u>Year ending June 30</u>	<u>SAPPPC</u>
2009	\$ 71,364
2010	<u>20,431</u>
Total	91,795
Less interest included above	<u>(4,391)</u>
Debt per statement of net assets	<u>\$ 87,404</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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Prior Year Defeasance of Debt. In prior years, the primary government defeased various outstanding debt issues by placing proceeds of new debt or other funds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in these financial statements. At June 30, 2008, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Primary government:		
General Obligation Bonds:		
Series 1994	\$ 12,355,000	
Series 1999	20,045,000	
Series 2001	<u>18,200,000</u>	
Total General Obligation Bonds	<u>50,600,000</u>	
Certificates of Participation:		
Series 1995	<u>37,304,936</u>	\$ <u>8,795,064</u>
Total Certificates of Participation	<u>37,304,936</u>	<u>8,795,064</u>
Revenue Bonds:		
Solid Waste User Fee Revenue Bonds		
Series 1994	<u>-</u>	<u>9,855,000</u>
Total Revenue Bonds	<u>-</u>	<u>9,855,000</u>
 Total primary government	 <u>\$ 87,904,936</u>	 <u>\$ 18,650,064</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Legal Debt Limit. The County's borrowing power is restricted by amended Article X, Section 14 of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have total general obligation debt outstanding in an amount that exceeds eight percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness; levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on December 1, 1977, the effective date of the constitutional amendment.

Beginning January 1, 1996, the South Carolina Legislature changed the definition of debt subject to the 8 percent limit to include all Certificates of Participation at the time of issue subsequent to December 31, 1995. The following computation reflects the County's compliance with this limitation:

Assessed value of real and personal property		\$ 2,916,300,291
Value of merchants inventory and manufacturers depreciation		<u>30,454,011</u>
Total assessed value		<u><u>\$ 2,946,754,302</u></u>
 Debt limitation - eight percent of total assessed value		 \$ 235,740,344
Total bonded debt:		
General Obligation Bonds	\$362,730,000	
Less:		
Bonds issued pursuant to referendum:		
Series 2007 G.O. Bond Transportation Sales tax	\$(150,000,000)	
Series 2006 G.O. Bond Transportation Sales tax	(63,090,000)	
Series 2004 Refunding G.O. Bond:	(8,379,659)	
Series 1999 Refunding G.O. Bond:	<u>(5,000,000)</u>	<u>(226,469,659)</u>
 Total debt subject to debt limit		 <u>136,260,341</u>
 Legal debt margin		 <u><u>\$ 99,480,003</u></u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

J. Reserved and Designated Fund Equity

Reserved for inventories and prepaid items. Fund balance has been reserved for inventories and prepaid items to indicate that these amounts do not represent available spendable resources even though they are components of net current assets.

Reserved for encumbrances. Encumbrances representing commitments to vendors which had not been received or completed at year-end have been reserved since they are not legally available for appropriation.

Reserved for debt service. Fund equity subject to the provision of various bond indenture and Certificate of Participation lease agreements as to restrictions on expenditures.

Reserved for capital projects. All capital project fund balances, are reserved for the acquisition of capital assets, for the completion of existing projects and for future projects.

Reserved for Transportation and Road Sales Tax Special Revenue Fund. Fund equity subject to the provisions of bond restrictions on expenditures. This amount is \$230,106,543 for the current fiscal year.

Designated for rainy day. An amount of \$8,000,000 has been established through the budget ordinance by County Council as a rainy day fund. The intent of this fund is to provide a cushion for unexpected emergencies in the event of a major catastrophe such as an earthquake, hurricane, nuclear accident or chemical spill. The rainy day fund can only be appropriated through the passage of another ordinance by County Council.

Designated for subsequent years' appropriation. The fiscal year 2009 budget ordinance designates \$2,500,000 of the ending fiscal year 2008 General Fund Balance for fiscal year 2009 appropriations. Remaining Special Revenue Fund Balances, after the reserve for encumbrances, have been designated in accordance with the various use restrictions placed on their assets under the applicable grant agreements and legislation.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

IV. OTHER INFORMATION
A. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For all of these risks, the County and its component units are members of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County and its component units pay an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The County and its component units are also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all of its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board. The County records contributions from employer funds, employees, and retirees in the Employee Benefits Trust Internal Service Fund which remits the premiums to the State. The State reinsures through commercial companies for these risks. The various component units of the County insure the health, life, accident, dental and other medical benefits to their employees and their dependents through commercial insurance companies.

Effective July 1, 1995, the County established a self-insured plan to fund risks associated with workers' compensation claims. Claims administration is handled by a third party with reinsurance through commercial insurance companies for all individual claims in excess of \$100,000. All funds of the County participate in the program and make payments to the Workers' Compensation Internal Service Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$2,175,000 reported in the Fund at June 30, 2008, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County purchases insurance contracts from commercial insurers to satisfy certain liabilities under workers' compensation claims; accordingly, no liability is reported for those claims.

Changes in the Fund's estimated claims liability amount in fiscal year 2008 and 2007 were:

<u>Year Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2008	\$ 2,290,000	\$ 3,105,688	\$ (3,220,688)	\$ 2,175,000
2007	2,880,000	1,723,905	(2,313,905)	2,290,000

The above liability is included in the County's accounts payable as reported in the statement of net assets.

For all of the above risk management programs, except workers' compensation, the County and its component units have not significantly reduced insurance coverages from the previous year; settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the County and its Component units have effectively transferred all risk with no liability for unfunded claims.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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B. Segment Information

The County maintains an enterprise fund which provides drug and alcohol abuse treatment. This fund is supported by a revenue-backed COP. The County also has an enterprise fund for solid waste disposal. It is presented as a major business-type fund.

Condensed Statement of Net Assets:	<u>DAODAS</u>
Assets:	
Current assets	\$ 4,953,323
Deferred issuance costs	65,882
Capital assets	<u>7,585,012</u>
Total assets	<u>\$ 12,604,217</u>
Liabilities:	
Current liabilities	748,421
Certificates of participation	3,678,614
Other long-term obligations	<u>419,539</u>
Total liabilities	<u>4,846,574</u>
Net Assets:	
Invested in capital assets, net of related debt	3,515,000
Unrestricted	<u>4,242,643</u>
Total net assets	<u>7,757,643</u>
Total liabilities and net assets	<u>\$ 12,604,217</u>

**Condensed Statement of Revenues,
Expenses, and Changes in Net Assets:**

	<u>DAODAS</u>
Operating revenues	\$ 6,774,672
Depreciation and amortization	(264,927)
Other operating expenses	<u>(10,404,261)</u>
Operating income (loss)	<u>(3,894,516)</u>
Nonoperating revenues (expenses):	
Interest income	171,723
Interest expense	(316,965)
Intergovernmental revenue	1,135,211
Gain (loss) on disposal of assets	<u>(441)</u>
Total nonoperating revenues (expenses)	<u>989,528</u>
Transfer out	(1,500,000)
Transfers in	<u>3,131,667</u>
Change in net assets	(1,273,321)
Beginning net assets	<u>9,030,964</u>
Ending net assets	<u>\$ 7,757,643</u>

Condensed Statement of Cash Flows:

	<u>DAODAS</u>
Net cash provided (used) by:	
Operating activities	\$ (3,777,683)
Noncapital financing activities	2,766,878
Capital and related financing activities	(695,269)
Investing activities	<u>171,723</u>
Net increase (decrease)	(1,534,351)
Beginning cash and cash equivalents	<u>5,192,752</u>
Ending cash and cash equivalents	<u>\$ 3,658,401</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

C. Subsequent Events

On October 14, 2008, the James Island Public Service District borrowed \$650,000 from its proprietary fund on a promissory note that matures March 12, 2009. Interest will be paid at 1.4 percent during the period the note is outstanding.

During the fiscal year, Charleston County Council approved the future issuance of a tax anticipation note (TAN) in the amount of \$1,000,000 for St. John's Fire District. Subsequent to June 30, 2008, the District has not borrowed any funds on this TAN. The entire \$1,000,000 is available to the District as of the date of their audit report (November 5, 2008). This note, which bears interest at a rate equal to the interest rate paid by the South Carolina Investment Pool during the period the note is outstanding, is due and payable in March 2009.

In March 2004 the James Island Public Service District's enterprise fund received various sewer system assets from the Charleston Commissioners of Public Works. As of June 30, 2008, the District's engineers have not completed an assessment of the assets to ascertain the conditions or the engineers' estimate of the fair market value of those assets. This study is expected to be completed in the fiscal year ended June 30, 2009, and the estimated fair market value will be recorded accordingly.

On September 5, 2008, the Charleston County Park and Recreation Commission signed a contract to purchase 61 acres known as the Bulls Bay property for use in developing a future park location. The purchase price of \$5,700,000 is to be provided from proceeds of the taxpayer approved half-cent sales tax and from the Greenbelt Bank Board.

Additionally, the Charleston County Park and Recreation Commission has committed to pay \$1.5 million to the Trust for Public Land in return for a one-third undivided interest of Morris Island. Additionally, the Commission would be the long-term manager of any park developed at Morris Island, as agreed with the Town of Folly Beach. This purchase is contingent upon the development and acceptance of a master plan for Morris Island.

Effective July 2008 the Retirement Division of the State Budget and Control Board increased the employer's required contributions for the South Carolina Retirement System from 9.06 percent to 9.24 percent of annual covered payroll.

D. Contingent Liabilities

Federal Grants. Amounts received or receivable from grants are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Management has not been informed of any significant matters of non-compliance with grant provisions or planned grantor audits. The amount of grant expenditures which may be disallowed cannot be determined at this time, but the County believes that any amount will be immaterial.

Litigation. The County and its component units are party to various lawsuits that are normal in the operations of a county government. These lawsuits involve disputes arising from various matters, including the termination of employment, wrongful death and survival, personal injury and other tort actions, delinquent tax sales, contractual agreements and civil rights violations. It is the opinion of legal counsel that it cannot be determined whether resolution of these matters, individually or in the aggregate in excess of insurance coverage, will have a material adverse effect on the financial condition of the County and its component units.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Annexation. Several of the component units serve geographic regions which are subject to annexation by the surrounding municipalities. Should these annexations continue, there could be a significant impact on the operations of the various component units. The South Carolina General Assembly is currently considering legislation which would require the municipality which annexes properties of another political subdivision to assume responsibility for payment of the pro-rata bonded debt outstanding on the date of annexation.

In May 2000 the South Carolina General Assembly passed legislation to address the loss of revenues by public service districts due to annexations by municipalities. The legislation calls for an agreed-upon plan between the annexing municipality and the public service district. This plan would protect the remaining unannexed area in the public service district from economic loss of revenue brought about by annexation.

This new legislation should lessen but not eliminate the impact on the operations of various component units due to annexations.

E. Commitments

The County and its various component units have various commitments to provide facilities or services under numerous agreements signed with third parties in addition to its construction commitments and recorded encumbrances.

The County has contracted with Montenay to provide waste disposal services at the company's incinerator in North Charleston. The contract requires the County to levy a user fee sufficient to pay this disposal fee that includes operational cost plus debt service on a \$75,000,000 Industrial Development Bond (IDB) used to construct the incinerator. This agreement expires on January 1, 2010, when the bonds mature. At that time, the County has the option to purchase the facility for its fair market value, extend the agreement or terminate the service. The County has reviewed the substance of this commitment and has determined that because 1) the IDB is not the County's; 2) the debt service is part of the operational cost the County pays to the incinerator operator; and 3) if the operator ceases providing service at the incinerator the County is not liable for the operational cost to the operator the IDB is not debt of the County and therefore is not reflected on the entity-wide financial statements.

In July 2001 the County entered into an intergovernmental agreement with the South Carolina Infrastructure Bank to make twenty-five annual payments of \$3,000,000 beginning in January 2004 as a local match to help defray the cost of the Arthur Ravenel, Jr. Bridge over the Cooper River built by the State to replace the existing bridges connecting the City of Charleston and the Town of Mt. Pleasant. This debt is shown as an inter-government note payable in Note I of these financial statements.

On September 15, 1997, the County entered into an intergovernmental agreement with the City of North Charleston to help fund the construction of a convention center adjacent to the North Charleston Coliseum. The agreement requires the County to be responsible for the pro-rata debt service on \$18,095,000 of a total \$48,045,000 in Certificates of Participation issued by the City on September 15, 1997. The debt service is to be paid monthly to a trustee from the revenues of the County Accommodations Special Revenue Fund. The agreement allows for non-payment in the event of non-appropriation by the City of North Charleston and for reduced payments if accommodation fee revenues fall below the payment amount. Annual debt service on the County's \$18,095,000 obligation, maturing in 2020, under the agreement is approximately \$1.4 million.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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The County partnered with the City of Charleston and Berkeley County to construct the Daniel Island Tennis Center. County Council committed to fund \$750,000 of the project with 15 annual payments of \$50,000 from Accommodations Fee revenues. This agreement contains the same allowances for reduced or non-payment as the City of North Charleston agreement.

Both of these agreements are funded from a specific source of funds, the Accommodations Fee. The agreements also contain provisions for the non-payment of these obligations by the County if the revenues from the Accommodations Fee are not sufficient to make the payment or if the parties that issued the debt (the City of North Charleston and City of Charleston, respectively) do not make their pro-rata debt service. Therefore, the determination has been made that these commitments do not represent debt to the County and are not reflected in the entity-wide financial statements.

In July 2005 the county entered into an agreement with the LPA Group Incorporated for program management services of the County's \$150,000,000 roads portion of the half-cent sales tax monies (Roadwise Program). The original contract amount was \$18,329,782 over a five year period beginning July 2005. The services are to include; design work, right of way easements, consulting on feasibility, land acquisitions, engineering work, developing bid specifications, and construction services. Amendment 1 of the contract was approved August 23, 2007, changing the contract amount to \$17,973,126 and leaving the contract length unchanged. Amendment 2 of the contract was approved October 20, 2008, changing the contract amount to \$17,882,899 and leaving the contract length the same. Starting November 2008, the contract contains for a monthly base fee of \$316,824, plus 10 percent of work completed. This base fee increases each fiscal year.

The following is a schedule by fiscal year of the minimum future payments under this contract:

<u>Year ending June 30</u>	
2009	3,793,383
2010	<u>3,981,232</u>
TOTAL	<u>\$ 7,774,615</u>

The amount paid for these services for the year-ended June 30, 2008, was \$5,512,323.

On April 7, 2008, the County entered into a 10-year agreement with the Charleston Animal Society formerly the John Ancrum Society for the Prevention of Cruelty to Animals for the care and impoundment of animals delivered to the shelter by the County. The original agreement with the Society was dated January 23, 1979, and has been updated several times since then. The amended noncancelable portion of the agreement calls for the County to pay a base monthly fee of \$34,539. Additionally, the County agrees to pay the Society \$5.77 for the receiving and immunization of each animal placed in custody and \$5.77 boarding fee per animal per day. The County will also pay a euthanasia fee of \$5.77 fee for each animal. The County also agrees to pay any reasonable out-of-pocket expenses associated with animal cruelty cases.

As part of the contract, the County provided \$4,500,000 in funds and property towards the construction of a new shelter. Upon early termination of the agreement by the Society, the Society shall repay the County a pro-rata portion of the \$4,500,000.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The non-cancelable portion of the agreement states the County shall continue to pay the Society the current monthly fee for a five-year period plus any annual increases in the CPI during such five-year period if the County terminates the contract.

On July 10, 2007, the Charleston County Park and Recreation Commission signed a contract to purchase 1,568 acres known as the Long Savannah Plantation property for use in developing a future park location. The purchase price was \$6,500,000, to be provided from proceeds of the taxpayer approved half-cent sales tax. The property is expected to close by the end of calendar year 2008.

The Charleston County Park and Recreation Commission has entered into an agreement with the City of Folly Beach to restrict \$50,000 each year to provide for the renourishment of the erosion that occurs along Folly Beach. This annual amount increased to \$60,000 per year in the fiscal year ending June 30, 2003. During the year ended June 30, 2008, \$0 funds were transferred to the City of Folly Beach for re-nourishment. Capital Projects fund balance of \$219,697 has been reserved for beach re-nourishment.

As of June 30, 1997, the Charleston County Park and Recreation Commission had provided approximately \$2,065,171 to the City of Charleston for the construction of the Charleston Maritime Center which was to be leased to and operated by the Commission. On August 4, 1997, the City of Charleston and Charleston County Park and Recreation Commission entered into an agreement that terminated the Master Lease of the Charleston Maritime Center dated August 1, 1995, between the two parties. This agreement grants the Commission the right of first refusal for the purchase of the Maritime Center for a period of 50 years from the date of execution of the agreement. In the event that the Commission does elect to purchase the Maritime Center, then the City of Charleston will credit \$1,500,000 toward the purchase price. If the Commission elects not to purchase the Maritime Center, then the City of Charleston will pay the Commission \$1,500,000 from the proceeds of the sale.

The Charleston County Park and Recreation Commission has an agreement with the Charleston County School District to cooperate in the operation of a Community Education Program. Each sponsor has determined which of its facilities and resources is available to the Community Education Program and agrees to supply the cost of necessary part-time professional staff that may be required. Available state, federal, and private funding is sought with the remaining costs shared to the extent agreed upon by the parties. The agreement with the School District was modified in July 1992 to provide for one-half of the Commission's share of the expenses to be paid to the school district prior to December 21 of each fiscal year and the balance to be paid by March 12 of the following year. Total payments made prior to June 30, 2008, for the 2008 program year were \$429,202. The agreement was modified for the 2007 program year to provide for an equitable sharing of increased program fees collected during the year. The amount accrued as program revenue under this agreement was \$363,637.

In July 1995 the Commission entered into a lease agreement with Charleston County whereby the Commission assumed the responsibilities of operating and maintaining 19 boat landings throughout Charleston County. The lease is for a term of 99 years and commenced on July 1, 1995. The Commission pays a nominal fee of \$1 per year under the lease terms, but the agreement expressed the intent of Charleston County to transfer millage each year to help fund related expenses. Funding is contingent upon future County Council approval.

On June 29, 1988, Kiawah Island was sold to Kiawah Resort Associates. The Charleston County Park and Recreation Commission has been in contact with the new owners in order to obtain a new lease agreement for Beach Walker Park. A verbal agreement has been made to ensure that the Park can continue to operate. To date, however, no formal agreement has been signed.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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During 1988 the Charleston County Park and Recreation Commission was advised by the South Carolina Highway Department that the proposed Mark Clark Expressway will go through the northern portion of James Island County Park. The Commission is awaiting determination from the South Carolina Highway Department on the future location of the Mark Clark corridor.

An open letter of credit for \$33,460 was established in 1989 with the Wachovia Bank at the request of the Commissioners of Public Works. The Charleston County Park and Recreation Commission is required to keep this line of credit open. As of year end, none of this credit had been utilized.

In December 2000 the U.S. Secretary of the Interior conveyed property consisting of approximately 25 acres in fee and 0.6 acres of easements to the Charleston County Park and Recreation Commission in a Quitclaim Deed. The property conveyed includes areas presently known as the Cooper River Marina, previously known as the Old Navy Base Marina facilities. The conveyance has several restrictions including the following: the property must be used and maintained for the public park and recreation purposes for which it was conveyed in perpetuity, the property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the same continued use of the property, and funds generated on the property may not be used for non-recreational purposes and, furthermore, must be used for the development, operation and maintenance of the property until it is fully developed in accordance with the Program of Utilization. There are also various reporting requirements.

On August 22, 2005, the Charleston County Park and Recreation Commission entered into an agreement with K.L.B. Group DBA Locklear's Beach City Grill to allow this corporation to operate the restaurant at the Folly Pier. The original lease term was for five years beginning October 1, 2005. The building held for rent had an estimated cost of \$1,253,494 and an estimated net book value of \$1,013,398. Rent started at \$7,400 per month and increases each October based on the current CPI. The new rental per month based on the CPI increased to \$7,835 per month on March 1, 2008. The lease also provided for contingent rentals of 6 percent of annual sales greater than \$1,200,000.

On August 16, 2007, the Commission and K.L.B. Group agreed to suspend the contract for convenience during the time period October 1, 2007 through March 1, 2008, so that the Commission could progress with repairs to the Folly Beach Fishing Pier building. In return, the lessee will receive an extension of the lease for the period of time the building is closed for repairs. The lease was suspended for five months in the fiscal year ending 2008, and extended for five months during this fiscal year ending 2011.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The following is a schedule by years of the minimum future rentals on the non-cancelable operating lease as of June 30, 2008:

<u>Year Ending June 30</u>	<u>Amount</u>
2009	\$ 88,800
2010	88,800
2011	29,600
Total minimum lease rentals	\$ 207,200

Total rent income of \$78,359 was recorded during the year.

The Cooper River Park and Playground Commission contracted on July 1, 1996, with the City of North Charleston (City) to provide recreational services for the fiscal year to the citizens within the Commission's jurisdictional boundaries. Since the original contract date, the Commission and the City have renewed this contract annually with a effective date of July 1 of each fiscal year. Under the terms of this contract, the City agrees to pay all reasonable administrative and professional costs incurred by the Commission, and the Commission agrees to transfer and pay over to the City all appropriated funds, from whatever source, in the accounts of the Commission except for the remaining unreserved fund balance carried forward from June 30, 2007, in the amount of \$56,843. The City also assumed control and possession (but not legal title) of fixed property and equipment. Due to the declining tax base and the fractured property lines of the Commission, it would be difficult or impractical to provide services to its citizens without this contract with the City. On June 26, 2008, the Commission entered into another one year contract with the City covering the period from July 1, 2008 to June 30, 2009, with essentially identical terms as previous contracts.

Certain real estate and facilities acquired by the Cooper River Park and Playground Commission are located within the corporate limits of the City of North Charleston. Those facilities were originally leased to the City for a 25-year lease term commencing May 23, 1980, at a \$1 annual rental fee. This lease was renegotiated and signed May 23, 2006, for a 50-year term at a \$1 annual rental fee. Additional facilities were leased in February and May of 1990 for a 100-year term also at an annual rental fee of \$1.

Under the annual contract with the City of North Charleston, the Cooper River Park and Playground Commission has agreed to assign to the City all of its assets, real and personal, thereby allowing the City exclusive use, possession, control and management of these assets. As of June 30, 2008, the leased assets have a book value of \$90,482.

The North Charleston District entered into an agreement on April 1, 1996, with the City of North Charleston for the City to provide fire, sanitation, and street lighting services to the constituents of the District. The contract requires the payment of substantially all of the District's revenues to the City and turning over control, but not title to, all of the District's assets. On an annual basis since June 30, 1997, the District has entered into additional one year contracts with the City with essentially the same terms as described above. This contract was extended for one year until June 30, 2009.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

F. Deferred Compensation Plan

The County and its component units offer their employees several deferred compensation plans under programs administered by the South Carolina Deferred Compensation Commission. The multiple-employer plans were created in accordance with Internal Revenue Code Sections 457 and 401(K). The plans, available to all full-time County and component unit employees, at their option, permit participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death, or an approved hardship is the deferred compensation available to an employee.

During the year ended June 30, 2000, the deferred compensation plans were amended to allow for employer matching contributions of up to \$300 per year for each covered participant. The total contributions made by the County and plan members were \$3,014,252 for the fiscal year ending June 30, 2008. The County has elected to provide this benefit to all employees who meet the following criteria:

1. Must have one continued year of service as a permanent employee, and
2. Covered participants earning up to \$20,000 per year regardless of employee contributions, or
3. Covered participants earning more than \$20,000 subject to meeting minimum contribution levels.

Effective December 23, 2008, the County suspended this match of \$75 per quarter.

G. Other Post Employment Benefits

Plan Description

The County provides post-retirement health, life and dental care benefits, as per the requirement of a local ordinance, for certain retirees and their dependents. Substantially all employees who retire under the State retirement plans are eligible to continue their coverage with the County paying 50 percent of health insurance premiums and the retiree paying 100 percent of life and dental insurance premiums and the remaining 50 percent of the health insurance premiums. The County's regular insurance providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The James Island Public Service District also provides a retiree benefit equal to 100 percent of the health insurance premiums over age 65 and a portion if under age 65. The retiree must pay for all life and dental insurance premiums.

Funding Policy

As of year-end, there were 449 employees who had retired from the County and are receiving 50 percent health insurance premium coverage benefit. The County currently finances the plan on a pay-as-you-go basis. Within the next twelve months, the County intends on establishing a Trust at which time, the plan will be financed on a level percent funding basis. For the year ended June 30, 2008, the County recognized expenses of \$1,043,301 for healthcare, which were net of retiree contributions of \$1,081,636. The James Island Public Service District had 26 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$133,622 for health care premium net of retiree contributions of \$60,681. The St. Paul's Fire District had 2 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$8,603 for health care premiums.

The County's annual cost (expense) for other post employment benefits is calculated based on the annual required contribution (ARC) of the employer, which is actuarially determined based upon the requirements and parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The ARC represents the amount of funding required that, if paid on an annual basis, is projected to cover the normal cost for each year plus the amount necessary to amortize any unfunded liability over a period not to exceed 30 years.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

For the current year, the County's year of implementation of GASB Statement 45, the annual OPEB expense of \$4,211,804 is equal to the ARC. The ARC for the year ended June 30, 2008, is computed as follows:

Normal cost for current year	\$ 2,064,762
Amortization of the unamortized accrued liability	<u>2,147,042</u>
Total Annual Required Contribution	<u>\$ 4,211,804</u>

Calculations of benefits for financial reporting purposes are based on the substantive plan understood by the employer and the plan members. The calculations include the types of benefits provided at the time of each valuation and the historical costs, shared by the employer and the plan members. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about future events and costs. The Projected Unit Credit, Level Percent Funding actuarial cost method was used to calculate the ARC for this valuation. The current rate used to compute the ARC is based on a level percent funding and assumed a 7.25 percent rate of return on investments for the current year.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

The County's management has elected not to reduce the total ARC dollar amount by current year contributions as it is expected that the ARC may increase due to current economic conditions. Accordingly, the net OPEB obligation recorded at June 30, 2008 is \$4,211,804.

The Entry Age Normal Actuarial Cost Method was used in the July 1, 2006 valuation. The actuarial assumptions included 7.25% investment rate of return. For all retirees the healthcare cost trends 2006 to 2007 were a rate of 10%. The trends rate will decrease in 0.5% steps until it reaches 4.5% and then will remain level. General inflation is assumed to be 3.0% per year. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at June 30, 2008 was twenty-nine years.

H. Funds Held by Coastal Community Foundation

As of June 30, 2008, the Coastal Community Foundation was holding \$378,551 in the Charleston County Library Fund. The fund was established in November 1983 as a capital fund for the purpose of providing support for unusual or innovative programs and services at the Library not normally funded by government appropriations. Of the balance, \$8,429 is available for grants to the Library.

As of June 30, 2008, the Coastal Community Foundation was holding \$71,928 in the Roper Foundation Community Wellness Endowment for the Charleston County Library. The endowment was established for the purpose of updating the health education information collection. At year-end, \$16 is available for grants to the Library.

These amounts are not reflected in the Library's financial statements until grants are received by the Library from the Foundation.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. Employee Retirement Systems and Plans

South Carolina Retirement and Police Officers' Retirement Systems

Plan Description. All permanent employees of the County and its component units, except for certain employees involved in law enforcement and fire fighting activities, participate in the South Carolina Retirement System (SCRS). The employees excluded above participate in the South Carolina Police Officers' Retirement System (SCPORS). Both systems are cost-sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. The SCRS and SCPORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance and survivor benefits to plan members and beneficiaries. Each plan's provisions are established under Title 9 of the S.C. Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for both the SCRS and SCPORS is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Funding Policy - SCRS. Plan members are required to contribute 6.50 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 9.06 percent of annual covered payroll. The contribution requirements of plan members and employers are established under authority of Title 9 of the South Carolina Code of Law, 1976 (as amended). Effective July 2008, the Retirement Division of the State Budget and Control Board increased the employer's required contribution for the South Carolina Retirement System from 9.06 percent to 9.24 percent of annual covered payroll.

Funding Policy - SCPORS. Plan members are required to contribute 6.7 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 10.3 percent of annual covered payroll. The contribution requirements of plan members and employers is established under authority of Title 9 of the South Carolina Code of Law, 1976 (as amended).

Additionally, participating employers of the SCRS contribute .15 percent of payroll to provide a group life insurance benefit for their participants.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The following table presents the required contributions to the SCRS and SCPORS by the County and its component units for the years ended June 30, 2008, 2007, and 2006:

	<u>Fiscal Year Ended June 30</u>		
<u>SCRS Contributions</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Primary government:	\$ 5,721,280	\$ 4,764,224	\$ 4,313,704
Component units:			
CCL	684,830	542,314	485,754
CCPRC	605,375	497,760	428,048
JIPSD	363,871	328,657	297,892
SAPPPC	110,901	90,314	88,968
SJFD	42,971	33,575	31,956
SPFD	<u>5,261</u>	<u>4,405</u>	<u>4,954</u>
Total SCRS	<u>\$ 7,534,489</u>	<u>\$ 6,261,249</u>	<u>\$ 5,651,276</u>
 <u>SCPORS Contributions</u>			
Primary government:	\$ 3,157,167	\$ 2,831,604	\$ 2,839,254
Component units:			
SJFD	407,113	385,573	378,872
SPFD	<u>175,945</u>	<u>173,041</u>	<u>158,866</u>
Total SCPORS	<u>\$ 3,740,225</u>	<u>\$ 3,390,218</u>	<u>\$ 3,376,992</u>

One hundred percent of the required contributions have been made for the current and each of the previous two years.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS –
DEFINED BENEFIT HEALTH CARE PLAN
FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government 7/1/2007	<u>\$0</u>	<u>\$35,700,191</u>	<u>\$35,700,191</u>	0%	<u>\$93,550,000</u>	<u>38.16%</u>
Component Units 7/1/2007						
JIPSD	\$0	\$6,024,106	\$6,024,106	0%	\$4,105,074	147%
CCPRC	\$0	\$3,089,213	\$3,089,213	0%	\$5,399,447	57.20%
SPFD	\$0	\$3,111,459	\$3,111,459	0%	\$2,022,100	153.87%

Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the County and its component units have elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Funded
Primary Government 2008	<u>\$ 4,211,804</u>	<u>\$ 0</u>	<u>\$ 4,211,804</u>	<u>0%</u>
Component Units 2008				
JIPSD	\$ 481,068	\$ 133,622	\$347,446	27.78%
CCPRC	378,935	0	378,935	0%
SPFD	367,100	0	367,100	0%
	<u>\$ 1,227,103</u>	<u>\$ 133,622</u>	<u>\$ 1,093,481</u>	

The County's management has elected not to reduce the total ARC dollar amount by current year contributions as it is expected that the ARC may increase due to current economic conditions. Accordingly, the net OPEB obligation recorded at June 30, 2008 is \$4,211,804.

**CHARLESTON COUNTY, SOUTH CAROLINA
COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**



CHARLESTON COUNTY COMBINING SCHEDULES - NON-MAJOR GOVERNMENTAL FUNDS

Non-major Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Accommodations - This fund is used to account for the two percent accommodation fee collected by the County and the two percent accommodation tax collected by the State on transient room rentals throughout the County. All expenditures must be tourist related with the exception of the first \$25,000 and five percent of the remainder of accommodations taxes remitted by the State. The budget is adopted on an annual basis.

Disaster Fund - This fund is used to account for monies received from Federal Emergency Management Agency (FEMA) for recovery efforts due to a natural disaster.

Child Support Enforcement - This fund is used to account for federal monies received to enforce child support obligations at the local level. The budget is adopted on an annual basis.

Community Development - This fund is used to account for Community Development Block Grants received from the U.S. Department of Housing and Urban Development, various state community development grants and matching funds. The budget is adopted on a project-length basis.

Construction Public Works - This fund is used to account for the receipt of state gasoline tax "C" funds earmarked for local road maintenance. The budget is adopted on a project-length basis.

Economic Development - This fund was established to account for local cooperative economic development activities in the tri-county area. Revenue is received from Multi-county Industrial Park fees assessed in lieu of property taxes on individual properties under regulations developed by the S. C. Department of Revenue. The budget is adopted on an annual basis.

Education - This fund is used to account for specific property taxes levied to fund maintenance of facilities owned by the Trident Technical College within the tri-county area used by residents of Charleston County. The budget is adopted on an annual basis.

Emergency Medical Services - This fund is used to account for proceeds of state grants and matching funds used to purchase equipment for use by emergency medical service personnel. The budget is adopted on an annual basis.

Fire Districts - This fund was established to account for revenues generated by a property tax levy in the Awendaw, Boone Hall, East Cooper, McClellanville area, and West St. Andrew's Fire Protection Districts and funds received under a contract with the Town of McClellanville to provide fire protection for the Town's residents. These services are provided by County employees and through contracts with other entities. The budget is adopted on an annual basis.

Geographic Information Systems (GIS) - This fund was created to account for revenues received from the state grants and the sale of maps produced by the GIS system. Expenditures from this fund include GIS training and development. The budget is adopted on an annual basis.

Grants Contributions Trust - This fund was established to account for contributions made to the County for the benefit of the grants program participants and used to provide recognition for special achievements.

Hazardous Materials Enforcement - This fund was established to pay for a county-wide hazardous materials training program and to acquire equipment needed to support the various fire departments within the county when they have to handle hazardous material situations. It is funded by a fee charged to the various businesses within the county that use hazardous materials, pollution control fines collected by the state and prior year transfers from the General Fund. The budget is adopted on an annual basis.

Storm Water Drainage – This fund was established to account for the storm water fee the County will begin charging November 1, 2006. This fee will fund the County's storm water management program which is now required under new federal regulations. The program will regulate run off from all properties and activities that have the potential to pollute local water systems. The fee will fund operations, maintenance and capital improvements. The budget is adopted on an annual basis.

Safety Enforcement - This fund is used to account for federal and state grants, contributions from individuals and corporations, and County matching funds to provide public safety enforcement and prevention activities. The budget is adopted on a project-length basis.

Sheriff - This fund was established to account for federal and state grants and asset forfeitures received in various drug interdiction activities used to fund law enforcement activities. The budget is adopted on an annual basis.

Social Services - This fund was established to account for federal and state grants to operate several programs which provide educational, treatment and rehabilitation services to non-violent alcohol and drug offenders and adolescents at risk for teen pregnancy. The budget is adopted on a project-length basis.

Solicitor - This fund was established to account for funds provided by the State and fees charged to first-time defendants under the Pretrial Intervention Program, who upon completion may have their records expunged. State appropriations are to be used for providing assistance to victims and witnesses of violent crimes and to supplement County appropriations for Solicitor activities. The budget is adopted on an annual basis.

Victim Notification - This fund was established to account for court assessments and conviction surcharges received pursuant to a change in state law which required counties to provide notification to victims of violent crime anytime there is a change in the status of the offender. The activity in this fund was previously recorded in the Safety Enforcement Special Revenue Fund. The budget is adopted on an annual basis.

Workforce Investment Act - This fund is used to account for federal grants received through the Workforce Investment Act to help provide training and counseling services for displaced and disadvantaged workers. The budget is adopted on a project-length basis.

Charleston Development Corporation – This fund is used to account for the County’s non-profit blended component unit. This entity was established September 2004 to further human, social, and economic development in the County of Charleston. The Corporation exists solely for the benefit of the County.

Non-major Capital Projects Funds

Capital Projects funds are used to account for the acquisition and construction of major capital outlays other than those financed by proprietary funds.

Equipment Replacement Fund - This fund was established in fiscal year 2005 to finance replacement of fleet and technology equipment. Funding comes from the sale of the County’s general capital assets (excluding real estate) and from the General Fund.

Construction - This fund was established in fiscal year 1986 by amendment to the budget ordinance to receive the proceeds of property sales and finance new construction with these funds. Per the County Budget Ordinance, all proceeds from the sale of real estate must be used for capital projects.

Public Works Construction - This fund was established in fiscal year 1995 to control drainage, bridge paving, road construction and fencing funds approved by Council that encompass multi-year projects. Funding comes from the General Fund.

General Services Construction - This fund was established in fiscal year 1995 to control funds for multi-year facilities maintenance projects, such as building renovations, which have been approved by Council. Funding comes from the General Fund.

ITS/Management Information Systems - This fund was established in fiscal year 1996 to control funds for multi-year data processing hardware and software acquisitions that have been approved by County Council. Funding comes from the General Fund. This fund also was established to account for thereplacement of computer hardware and software. Funding comes from various leases.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

<u>ASSETS</u>	<u>Special Revenue Funds</u>			
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	1,309,806	-	-	3,455,629
Pooled investments	2,270,824	-	-	5,984,865
Restricted cash and cash equivalents	870,037	-	-	-
Receivables (net of allowances for uncollectibles)	2,047,564	84,676	1,375,487	1,831,057
Total assets	\$ 6,498,231	\$ 84,676	\$ 1,375,487	\$ 11,271,551
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 316,828	\$ 35,554	\$ 59,574	\$ 49,145
Accrued payroll and fringe benefits	-	13,231	5,949	-
Due to other funds	-	34,096	354,009	-
Intergovernmental payable	5,055,522	-	290,599	-
Unearned revenue	-	-	30,182	-
Total liabilities	5,372,350	82,881	740,313	49,145
Fund balances:				
Reserved for encumbrances	-	1,795	162,919	627,277
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent years' appropriation	1,125,881	-	472,255	10,595,129
Total fund balances	1,125,881	1,795	635,174	11,222,406
Total liabilities and fund balances	\$ 6,498,231	\$ 84,676	\$ 1,375,487	\$ 11,271,551

See notes to financial statements.

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Grants Contributions Trust
\$ -	\$ -	\$ -	\$ -	\$ -
242,826	-	-	383,753	3,016
415,842	-	-	664,532	-
-	-	-	-	-
-	5,359,079	57,027	1,707,122	-
<u>\$ 658,668</u>	<u>\$ 5,359,079</u>	<u>\$ 57,027</u>	<u>\$ 2,755,407</u>	<u>\$ 3,016</u>
\$ 1,602	\$ -	\$ -	\$ 3,618	\$ -
2,643	-	-	34,352	-
-	56,760	57,027	-	-
-	-	-	2,442	-
-	5,302,319	-	1,516,738	-
<u>4,245</u>	<u>5,359,079</u>	<u>57,027</u>	<u>1,557,150</u>	<u>-</u>
-	-	-	8,851	-
-	-	-	-	-
<u>654,423</u>	<u>-</u>	<u>-</u>	<u>1,189,406</u>	<u>3,016</u>
<u>654,423</u>	<u>-</u>	<u>-</u>	<u>1,198,257</u>	<u>3,016</u>
<u>\$ 658,668</u>	<u>\$ 5,359,079</u>	<u>\$ 57,027</u>	<u>\$ 2,755,407</u>	<u>\$ 3,016</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

<u>ASSETS</u>	Hazardous Materials Enforcement	Stormwater Drainage	Safety Enforcement	Sheriff
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 28,506	\$ 50,731
Pooled cash and cash equivalents	90,971	264,307	134,422	336,651
Pooled investments	146,767	456,610	224,228	574,840
Restricted cash and cash equivalents	-	-	-	-
Receivables (net of allowances for uncollectibles)	300	620,125	335,899	18,468
Total assets	\$ 238,038	\$ 1,341,042	\$ 723,055	\$ 980,690
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 17,601	\$ 32,329	\$ 178,469	\$ 18,127
Accrued payroll and fringe benefits	7,641	15,016	11,363	5,442
Due to other funds	-	-	-	-
Intergovernmental payable	-	-	2,684	1,868
Unearned revenue	-	-	1,144	-
Total liabilities	25,242	47,345	193,660	25,437
Fund balances:				
Reserved for encumbrances	16,539	218,469	333,281	24,757
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent years' appropriation	196,257	1,075,228	196,114	930,496
Total fund balances	212,796	1,293,697	529,395	955,253
Total liabilities and fund balances	\$ 238,038	\$ 1,341,042	\$ 723,055	\$ 980,690

See notes to financial statements.

Special Revenue Funds

Social Services	Solicitor	Victim Notification	Workforce Investment Act	Charleston Development Corp
\$ -	\$ 1,450,935	\$ 38,678	\$ -	\$ -
1,631	114,438	139,756	20,979	33,030
-	195,690	236,459	-	-
-	-	-	-	-
-	227,792	-	1,542,600	1,482
<u>\$ 1,631</u>	<u>\$ 1,988,855</u>	<u>\$ 414,893</u>	<u>\$ 1,563,579</u>	<u>\$ 34,512</u>
\$ 1,631	\$ 2,602	\$ 464	\$ 675,297	\$ -
-	61,980	19,802	43,562	-
-	-	-	638,775	-
-	50,936	-	169,106	-
-	-	-	16,099	-
<u>1,631</u>	<u>115,518</u>	<u>20,266</u>	<u>1,542,839</u>	<u>-</u>
-	480	-	-	-
-	-	-	-	-
-	1,872,857	394,627	20,740	34,512
-	1,873,337	394,627	20,740	34,512
<u>\$ 1,631</u>	<u>\$ 1,988,855</u>	<u>\$ 414,893</u>	<u>\$ 1,563,579</u>	<u>\$ 34,512</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

<u>ASSETS</u>	<u>Capital Projects Funds</u>					Total Nonmajor Governmental Funds
	Construction	General Services Construction	Equipment Replacement Fund	ITS / MIS	Public Works Construction	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,568,850
Pooled cash and cash equivalents	1,641,879	18,817	994,514	2,208,349	386,930	11,781,704
Pooled investments	2,841,588	118,229	1,724,529	3,828,193	660,455	20,343,651
Restricted cash and cash equivalents	-	-	-	-	-	870,037
Receivables (net of allowances for uncollectibles)	-	-	-	1,880	-	15,210,558
Total assets	\$ 4,483,467	\$ 137,046	\$ 2,719,043	\$ 6,038,422	\$ 1,047,385	\$ 49,774,800
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 69,367	\$ -	\$ 1,768	\$ 551,539	\$ 18,109	\$ 2,033,624
Accrued payroll and fringe benefits	-	-	-	-	-	220,981
Due to other funds	-	-	-	-	-	1,140,667
Intergovernmental payable	184	-	897	8,890	-	5,583,128
Unearned revenue	-	-	-	-	-	6,866,482
Total liabilities	69,551	-	2,665	560,429	18,109	15,844,882
Fund balances:						
Reserved for encumbrances	-	-	-	-	-	1,394,368
Reserved for capital projects	4,413,916	137,046	2,716,378	5,477,993	1,029,276	13,774,609
Unreserved:						
Designated for subsequent years' appropriation	-	-	-	-	-	18,760,941
Total fund balances	4,413,916	137,046	2,716,378	5,477,993	1,029,276	33,929,918
Total liabilities and fund balances	\$ 4,483,467	\$ 137,046	\$ 2,719,043	\$ 6,038,422	\$ 1,047,385	\$ 49,774,800

See notes to financial statements.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Revenue Funds			
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works
Revenues:				
Property and local option sales tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	77,598	889,794	3,186,183	5,180,669
Permits and licenses	-	-	-	-
Fines and forfeitures	-	-	-	-
Service charges	9,872,302	-	-	-
Interest	157,558	-	-	359,082
Rental and use of property	-	-	-	-
Other revenues	-	-	149,552	261
Total revenues	10,107,458	889,794	3,335,735	5,540,012
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	71,152	-	-
Judicial	-	726,670	-	-
Public works	-	-	-	4,879,201
Health and welfare	-	-	3,203,581	-
Economic development	-	-	-	-
Culture and recreation	6,576,808	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,576,808	797,822	3,203,581	4,879,201
Excess (deficiency) of revenues over (under) expenditures	3,530,650	91,972	132,154	660,811
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	-	-	175,000	7,201,374
Transfers out	(4,432,630)	(93,616)	-	(7,201,374)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(4,432,630)	(93,616)	175,000	-
Net change in fund balance	(901,980)	(1,644)	307,154	660,811
Fund balances at beginning of year	2,027,861	3,439	328,020	10,561,595
Fund balances at end of year	\$ 1,125,881	\$ 1,795	\$ 635,174	\$ 11,222,406

See notes to financial statements.

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Grants Contributions Trust
\$ 813,840	\$ 5,169,650	\$ -	\$ 1,582,833	\$ -
2,176,282	155,650	53,811	583,278	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,000	-	4,579	33,650	4,339
3,020,122	5,325,300	58,390	2,199,761	4,339
-	-	-	-	-
-	-	60,884	2,242,412	-
-	-	-	-	-
-	-	-	-	5,707
2,759,716	-	-	-	-
-	5,325,300	-	-	-
-	-	-	-	-
2,759,716	5,325,300	60,884	2,242,412	5,707
260,406	-	(2,494)	(42,651)	(1,368)
-	-	-	-	-
9,215	-	2,058	-	-
(9,215)	-	-	-	-
-	-	-	9,372	-
-	-	2,058	9,372	-
260,406	-	(436)	(33,279)	(1,368)
394,017	-	436	1,231,536	4,384
\$ 654,423	\$ -	\$ -	\$ 1,198,257	\$ 3,016

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Hazardous Materials Enforcement	Stormwater Drainage	Safety Enforcement	Sheriff
Revenues:				
Property and local option sales tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	248,281	823,357	111,282
Permits and licenses	-	-	-	-
Fines and forfeitures	24,519	-	123,574	274,706
Service charges	144,300	1,211,847	-	-
Interest	-	-	3,764	7,691
Rental and use of property	-	-	-	-
Other revenues	-	-	52,920	451,324
Total revenues	168,819	1,460,128	1,003,615	845,003
Expenditures:				
Current:				
General government	-	-	50,000	-
Public safety	367,217	-	770,167	1,011,027
Judicial	-	-	194,231	-
Public works	-	1,069,284	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	367,217	1,069,284	1,014,398	1,011,027
Excess (deficiency) of revenues over (under) expenditures	(198,398)	390,844	(10,783)	(166,024)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	158,055	-	13,531	55,082
Transfers out	-	(154,291)	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	158,055	(154,291)	13,531	55,082
Net change in fund balance	(40,343)	236,553	2,748	(110,942)
Fund balances at beginning of year	253,139	1,057,144	526,647	1,066,195
Fund balances at end of year	\$ 212,796	\$ 1,293,697	\$ 529,395	\$ 955,253

See notes to financial statements.

Special Revenue Funds

Social Services	Solicitor	Victim Notification	Workforce Investment Act	Charleston Development Corp
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,321,023	3,802	5,394,490	-
-	-	-	-	-
-	69,082	518,305	-	-
-	649,049	-	71,326	-
-	4,425	-	-	2,188
-	-	-	55,281	-
-	-	-	36,647	40,232
-	2,043,579	522,107	5,557,744	42,420
-	-	-	-	-
-	-	366,895	-	-
30,000	1,770,820	355,606	-	-
-	-	-	-	-
-	-	-	5,537,004	8,114
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,000	1,770,820	722,501	5,537,004	8,114
(30,000)	272,759	(200,394)	20,740	34,306
-	-	-	-	-
30,000	46,993	-	-	-
(580)	(168,289)	-	-	(30,000)
-	-	-	-	-
29,420	(121,296)	-	-	(30,000)
(580)	151,463	(200,394)	20,740	4,306
580	1,721,874	595,021	-	30,206
\$ -	\$ 1,873,337	\$ 394,627	\$ 20,740	\$ 34,512

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Construction	General Services Construction	Equipment Replacement Fund	ITS / MIS	Public Works Construction	
Revenues:						
Property and local option sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,566,323
Intergovernmental	-	187,500	-	-	-	20,393,000
Permits and licenses	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	1,010,186
Service charges	-	-	-	-	-	11,948,824
Interest	344,124	-	112,460	250,312	22,800	1,264,404
Rental and use of property	-	-	-	-	-	55,281
Other revenues	142,624	-	85,000	-	-	1,031,128
Total revenues	486,748	187,500	197,460	250,312	22,800	43,269,146
Expenditures:						
Current:						
General government	-	-	-	-	-	50,000
Public safety	-	-	-	-	-	4,889,754
Judicial	-	-	-	-	-	3,077,327
Public works	-	-	-	-	-	5,948,485
Health and welfare	-	-	-	-	-	8,754,406
Economic development	-	-	-	-	-	2,759,716
Culture and recreation	-	-	-	-	-	6,576,808
Education	-	-	-	-	-	5,325,300
Capital outlay	5,306,784	70,454	1,977	2,566,964	53,613	7,999,792
Total expenditures	5,306,784	70,454	1,977	2,566,964	53,613	45,381,588
Excess (deficiency) of revenues over (under) expenditures	(4,820,036)	117,046	195,483	(2,316,652)	(30,813)	(2,112,442)
Other financing sources (uses):						
Capital lease proceeds	-	-	-	100,539	-	100,539
Transfers in	38,000	20,000	418,873	2,600,407	500,000	11,268,588
Transfers out	(533,231)	-	(501,401)	(299,995)	-	(13,424,622)
Proceeds from sale of capital assets	-	-	33,831	-	-	43,203
Total other financing sources (uses)	(495,231)	20,000	(48,697)	2,400,951	500,000	(2,012,292)
Net change in fund balance	(5,315,267)	137,046	146,786	84,299	469,187	(4,124,734)
Fund balances at beginning of year	9,729,183	-	2,569,592	5,393,694	560,089	38,054,652
Fund balances at end of year	\$ 4,413,916	\$ 137,046	\$ 2,716,378	\$ 5,477,993	\$ 1,029,276	\$ 33,929,918

See notes to financial statements.



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**CHARLESTON COUNTY, SOUTH CAROLINA
INDIVIDUAL FUND SCHEDULES OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
(GAAP BASIS) AND ACTUAL**



COUNTY OF CHARLESTON, SOUTH CAROLINA
ACCOMMODATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 27,500	\$ 77,598	\$ 77,598	\$ -
Service charges	9,750,000	9,785,549	9,872,302	86,753
Interest	100,000	100,000	157,558	57,558
Total revenues	9,877,500	9,963,147	10,107,458	144,311
Expenditures:				
Current:				
Culture and recreation	5,124,486	6,627,628	6,576,808	50,820
Total expenditures	5,124,486	6,627,628	6,576,808	50,820
Excess of revenues over expenditures	4,753,014	3,335,519	3,530,650	195,131
Other financing uses:				
Transfers out	(3,275,125)	(4,432,630)	(4,432,630)	-
Net change in fund balance	1,477,889	(1,097,111)	(901,980)	195,131
Fund balance at beginning of year	2,027,861	2,027,861	2,027,861	-
Fund balance at end of year	\$ 3,505,750	\$ 930,750	\$ 1,125,881	\$ 195,131

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHILD SUPPORT ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 809,057	\$ 889,794	\$ 889,794	\$ -
Total revenues	809,057	889,794	889,794	-
Expenditures:				
Current:				
Public safety	73,666	71,152	71,152	-
Judicial	680,391	728,465	726,670	1,795
Total expenditures	754,057	799,617	797,822	1,795
Excess of revenues over expenditures	55,000	90,177	91,972	1,795
Other financing uses:				
Transfers out	(55,000)	(93,616)	(93,616)	-
Net change in fund balance	-	(3,439)	(1,644)	1,795
Fund balance at beginning of year	3,439	3,439	3,439	-
Fund balance at end of year	\$ 3,439	\$ -	\$ 1,795	\$ 1,795

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 475,000	\$ 475,000	\$ 813,840	\$ 338,840
Intergovernmental	-	2,514,894	2,176,282	(338,612)
Other revenue	-	30,000	30,000	-
Total revenues	475,000	3,019,894	3,020,122	228
Expenditures:				
Current:				
Economic development	529,869	3,151,824	2,759,716	392,108
Total expenditures	529,869	3,151,824	2,759,716	392,108
Excess (deficiency) of revenues over (under) expenditures	(54,869)	(131,930)	260,406	392,336
Other financing sources (uses):				
Transfers in	-	9,215	9,215	-
Transfers out	-	(9,215)	(9,215)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(54,869)	(131,930)	260,406	392,336
Fund balance at beginning of year	394,017	394,017	394,017	-
Fund balance at end of year	\$ 339,148	\$ 262,087	\$ 654,423	\$ 392,336

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 5,131,322	\$ 5,260,526	\$ 5,169,650	\$ (90,876)
Intergovernmental	-	78,000	155,650	77,650
Total revenues	<u>5,131,322</u>	<u>5,338,526</u>	<u>5,325,300</u>	<u>(13,226)</u>
Expenditures:				
Current:				
Education	5,131,322	5,338,526	5,325,300	13,226
Total expenditures	<u>5,131,322</u>	<u>5,338,526</u>	<u>5,325,300</u>	<u>13,226</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
FIRE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,523,795	\$ 1,523,795	\$ 1,582,833	\$ 59,038
Intergovernmental	494,620	497,727	583,278	85,551
Other revenue	-	32,500	33,650	1,150
Total revenues	<u>2,018,415</u>	<u>2,054,022</u>	<u>2,199,761</u>	<u>145,739</u>
Expenditures:				
Current:				
Public safety	2,013,308	2,341,240	2,242,412	98,828
Total expenditures	<u>2,013,308</u>	<u>2,341,240</u>	<u>2,242,412</u>	<u>98,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,107</u>	<u>(287,218)</u>	<u>(42,651)</u>	<u>244,567</u>
Other financing sources:				
Proceeds from sale of capital assets	-	-	9,372	9,372
Net change in fund balance	5,107	(287,218)	(33,279)	253,939
Fund balance at beginning of year	<u>1,231,536</u>	<u>1,231,536</u>	<u>1,231,536</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,236,643</u>	<u>\$ 944,318</u>	<u>\$ 1,198,257</u>	<u>\$ 253,939</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
HAZARDOUS MATERIALS ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 24,519	\$ 14,519
Service charges	150,000	150,000	144,300	(5,700)
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>168,819</u>	<u>8,819</u>
Expenditures:				
Current:				
Public safety	383,446	389,600	367,217	22,383
Total expenditures	<u>383,446</u>	<u>389,600</u>	<u>367,217</u>	<u>22,383</u>
Deficiency of revenues under expenditures	(223,446)	(229,600)	(198,398)	31,202
Other financing sources:				
Transfers in	151,948	158,055	158,055	-
Net change in fund balance	(71,498)	(71,545)	(40,343)	31,202
Fund balance at beginning of year	253,139	253,139	253,139	-
Fund balance at end of year	<u>\$ 181,641</u>	<u>\$ 181,594</u>	<u>\$ 212,796</u>	<u>\$ 31,202</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STORM WATER DRAINAGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 248,281	\$ 248,281
Service charges	1,500,000	1,500,000	1,211,847	(288,153)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,460,128</u>	<u>(39,872)</u>
Expenditures:				
Current:				
Public works	1,492,023	1,521,661	1,069,284	452,377
Total expenditures	<u>1,492,023</u>	<u>1,521,661</u>	<u>1,069,284</u>	<u>452,377</u>
(Deficiency) excess of revenues (under) over expenditures	7,977	(21,661)	390,844	412,505
Other financing uses:				
Transfer out	-	(154,291)	(154,291)	-
Net change in fund balance	7,977	(175,952)	236,553	412,505
Fund balance at beginning of year	<u>1,057,144</u>	<u>1,057,144</u>	<u>1,057,144</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,065,121</u>	<u>\$ 881,192</u>	<u>\$ 1,293,697</u>	<u>\$ 412,505</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SHERIFF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 111,282	\$ 7,782
Fines and forfeitures	304,436	297,282	274,706	(22,576)
Interest	11,500	11,500	7,691	(3,809)
Other revenues	296,500	335,000	451,324	116,324
Total revenues	715,936	747,282	845,003	97,721
Expenditures:				
Current:				
Public safety	847,377	1,315,603	1,011,027	304,576
Total expenditures	847,377	1,315,603	1,011,027	304,576
Deficiency of revenues (under) expenditures	(131,441)	(568,321)	(166,024)	402,297
Other financing sources (uses):				
Transfers in	89,174	89,937	55,082	(34,855)
Transfers out	(34,855)	(34,855)	-	34,855
Total other financing sources (uses)	54,319	55,082	55,082	-
Net change in fund balance	(77,122)	(513,239)	(110,942)	402,297
Fund balance at beginning of year	1,066,195	1,066,195	1,066,195	-
Fund balance at end of year	\$ 989,073	\$ 552,956	\$ 955,253	\$ 402,297

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SOLICITOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 990,623	\$ 1,140,878	\$ 1,321,023	\$ 180,145
Fines and forfeitures	40,000	40,000	69,082	29,082
Service charges	617,156	617,156	649,049	31,893
Interest	-	-	4,425	4,425
Total revenues	1,647,779	1,798,034	2,043,579	245,545
Expenditures:				
Current:				
Judicial	1,708,661	2,070,780	1,770,820	299,960
Total expenditures	1,708,661	2,070,780	1,770,820	299,960
Excess (deficiency) of revenues over (under) expenditures	(60,882)	(272,746)	272,759	545,505
Other financing sources (uses):				
Transfers in	46,577	46,993	46,993	-
Transfers out	(46,577)	(168,289)	(168,289)	-
Total other financing sources (uses)	-	(121,296)	(121,296)	-
Net change in fund balance	(60,882)	(394,042)	151,463	545,505
Fund balance at beginning of year	1,721,874	1,721,874	1,721,874	-
Fund balance at end of year	\$ 1,660,992	\$ 1,327,832	\$ 1,873,337	\$ 545,505

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Intergovernmental	\$ 2,100	\$ 2,100	\$ 3,802	\$ 1,702
Fines and forfeitures	564,000	564,000	518,305	(45,695)
Total revenues	566,100	566,100	522,107	(43,993)
Expenditures:				
Current:				
Public safety	436,277	436,277	366,895	69,382
Judicial	352,085	352,085	355,606	(3,521)
Total expenditures	788,362	788,362	722,501	65,861
Deficiency of revenues under expenditures	(222,262)	(222,262)	(200,394)	21,868
Net change in fund balance	(222,262)	(222,262)	(200,394)	21,868
Fund balance at beginning of year	595,021	595,021	595,021	-
Fund balance at end of year	\$ 372,759	\$ 372,759	\$ 394,627	\$ 21,868

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED
June 30, 2008

	<u>Total Collections</u>	<u>Remittance to State</u>	<u>Retained by County</u>	<u>General Fund</u>	<u>Victim Notification</u>	<u>Total County Revenue</u>
Magistrates:						
Fines:						
Traffic/criminal	\$ 1,813,698	\$ -	\$ 1,813,698	\$ 1,813,698	\$ -	\$ 1,813,698
Wildlife/littering	175,759	52,361	123,398	123,398	-	123,398
DUI/DUS/BUI	11,546	11,546	-	-	-	-
Assessments	2,034,709	1,852,024	182,686	-	182,686	182,686
Surcharges	789,120	669,512	119,608	-	119,608	119,608
	<u>4,824,832</u>	<u>2,585,443</u>	<u>2,239,390</u>	<u>1,937,096</u>	<u>302,294</u>	<u>2,239,390</u>
Clerk of Court:						
Fines:						
General sessions	125,144	55,335	69,809	69,809	-	69,809
Family court	1,100	484	616	616	-	616
DUI	5,226	5,226	-	-	-	-
Assessments	120,237	70,814	49,423	-	49,423	49,423
Surcharges	277,190	110,601	166,589	-	166,589	166,589
	<u>528,897</u>	<u>242,460</u>	<u>286,437</u>	<u>70,425</u>	<u>216,012</u>	<u>286,437</u>
	<u>\$ 5,353,729</u>	<u>\$ 2,827,903</u>	<u>\$ 2,525,826</u>	<u>\$ 2,007,521</u>	<u>\$ 518,305</u>	<u>\$ 2,525,826</u>

See notes to financial statements.



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CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business.

DAODAS - This fund records the activity of programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS). These programs reduce the negative impact of alcohol and other drugs on constituents by planning and implementing comprehensive and effective programs of professional services. State and federal funding, Medicaid, client fees, and other funding sources support these programs.

E-911 Communications - This fund is used to account for the operations of the County's Emergency 911 communication system. This service is funded through a county-wide service charge on all telephone service and is collected by local utilities for the County.

Radio Communications - This fund is used to account for the comprehensive communications support to Charleston County agencies and neighboring external public safety agencies, including management of the 800 MHz public safety radio system, operation of the communications electronic maintenance facility, and management of the command post's emergency equipment and vehicles for response to emergencies and natural disasters.

Revenue Collections - This fund is used to account for the administration on a fee basis of the collection of accommodations, business licenses, hazardous material fees, storm water fees and the solid waste user fee for the County and Municipalities.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2008

<u>ASSETS</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current assets:					
Non-pooled cash and cash equivalents	\$ 1,200	\$ -	\$ -	\$ 220,110	\$ 221,310
Pooled cash and cash equivalents	3,657,201	3,710,420	468,141	2,122,620	9,958,382
Receivables (net of allowances for uncollectibles)	1,294,922	257,031	17,912	19,153	1,589,018
Total current assets	4,953,323	3,967,451	486,053	2,361,883	11,768,710
Deferred issuance costs	65,882	-	-	-	65,882
Capital assets:					
Buildings	9,554,391	-	-	-	9,554,391
Improvements other than buildings	270,255	-	-	-	270,255
Machinery and equipment	262,640	1,660,500	67,531	-	1,990,671
Less accumulated depreciation	(2,502,274)	(587,412)	(18,759)	-	(3,108,445)
Total capital assets (net of accumulated depreciation)	7,585,012	1,073,088	48,772	-	8,706,872
Total noncurrent assets	7,650,894	1,073,088	48,772	-	8,772,754
Total assets	12,604,217	5,040,539	534,825	2,361,883	20,541,464

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2008

<u>LIABILITIES AND EQUITY</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current liabilities:					
Accounts payable	\$ 126,423	\$ 115,649	\$ 55,143	\$ 290,795	\$ 588,010
Accrued payroll and fringe benefits	177,698	3,154	5,875	32,715	219,442
Compensated absences-current	33,843	21	-	921	34,785
Intergovernmental payable	199	-	-	1,739,449	1,739,648
Accrued interest payable	18,860	-	-	-	18,860
Certificates of participation - current	391,398	-	-	-	391,398
Total current liabilities	748,421	118,824	61,018	2,063,880	2,992,143
Noncurrent liabilities:					
Certificates of participation (net of unamortized discounts)	3,678,614	-	-	-	3,678,614
Compensated absences	419,539	3,633	7,927	108,109	539,208
Total noncurrent liabilities	4,098,153	3,633	7,927	108,109	4,217,822
Total liabilities	4,846,574	122,457	68,945	2,171,989	7,209,965
NET ASSETS					
Invested in capital assets, net of related debt	3,515,000	1,073,088	48,772	-	4,636,860
Unrestricted	4,242,643	3,844,994	417,108	189,894	8,694,639
Total net assets	\$ 7,757,643	\$ 4,918,082	\$ 465,880	\$ 189,894	\$ 13,331,499

See notes to financial statements.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2008

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Operating revenues:					
Charges for services	\$ 6,760,589	\$ 1,365,183	\$ 450,589	\$ 2,409,409	\$ 10,985,770
Other revenues	14,083	-	-	-	14,083
Total operating revenues	6,774,672	1,365,183	450,589	2,409,409	10,999,853
Operating expenses:					
Personnel services	5,346,452	90,488	256,884	1,404,772	7,098,596
Contractual services	1,781,637	-	232,181	62,531	2,076,349
Materials and supplies	562,132	26,620	178,625	45,747	813,124
Utilities	210,723	678,837	-	-	889,560
Repairs and maintenance	219,124	77,117	899,303	1,400	1,196,944
Rental expenses	134,677	-	90,582	-	225,259
Vehicle fleet charges	30,469	167	10,256	17,741	58,633
Other expenses	2,119,047	124,534	1,113,426	483,003	3,840,010
Depreciation and amortization	264,927	127,809	18,759	-	411,495
Total operating expenses	10,669,188	1,125,572	2,800,016	2,015,194	16,609,970
Operating income (loss)	(3,894,516)	239,611	(2,349,427)	394,215	(5,610,117)
Nonoperating revenues (expenses):					
Interest income	171,723	137,047	5,271	-	314,041
Interest expense	(316,965)	-	-	(129,321)	(446,286)
Intergovernmental revenues	1,135,211	-	74,537	-	1,209,748
Gain (loss) on disposal of capital assets	(441)	-	-	-	(441)
Total nonoperating revenues (expenses)	989,528	137,047	79,808	(129,321)	1,077,062
Income (loss) before transfers	(2,904,988)	376,658	(2,269,619)	264,894	(4,533,055)
Transfers out	(1,500,000)	-	-	(75,000)	(1,575,000)
Transfers in	3,131,667	-	2,479,325	-	5,610,992
Change in net assets	(1,273,321)	376,658	209,706	189,894	(497,063)
Total net assets - beginning	9,030,964	4,541,424	256,174	-	13,828,562
Total net assets - ending	\$ 7,757,643	\$ 4,918,082	\$ 465,880	\$ 189,894	\$ 13,331,499

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2008

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 6,555,042	\$ 1,317,692	\$ 433,451	\$ 2,390,256	\$ 10,696,441
Cash payments to suppliers for goods and services	(5,036,784)	(856,720)	(2,530,042)	1,419,822	(7,003,724)
Cash payments to employees for services	(5,295,941)	(87,392)	(253,837)	(1,263,027)	(6,900,197)
Net cash provided by (used in) operating activities	(3,777,683)	373,580	(2,350,428)	2,547,051	(3,207,480)
Cash flows from noncapital financing activities:					
Transfers in	3,131,667	-	2,479,325	-	5,610,992
Transfers (out)	(1,500,000)	-	-	(75,000)	(1,575,000)
Intergovernmental receipt	1,135,211	-	74,537	-	1,209,748
Net cash provided by (used in) noncapital financing activities	2,766,878	-	2,553,862	(75,000)	5,245,740
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(435,521)	-	-	-	(435,521)
Interest paid	(244,799)	-	-	-	(244,799)
Acquisition and construction of capital assets (including capitalized interest)	(14,949)	(170,583)	(67,531)	-	(253,063)
Net cash used in capital and related financing activities	(695,269)	(170,583)	(67,531)	-	(933,383)
Cash flows from investing activities:					
Interest received (paid)	171,723	137,047	5,271	(129,321)	184,720
Net cash provided by (used in) investing activities	171,723	137,047	5,271	(129,321)	184,720
Net increase (decrease) in cash and cash equivalents	(1,534,351)	340,044	141,174	2,342,730	1,289,597
Cash and cash equivalents at beginning of year	5,192,752	3,370,376	326,967	-	8,890,095
Cash and cash equivalents at end of year	\$ 3,658,401	\$ 3,710,420	\$ 468,141	\$ 2,342,730	\$ 10,179,692
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,200	\$ -	\$ -	\$ 220,110	\$ 221,310
Pooled cash and cash equivalents	3,657,201	3,710,420	468,141	2,122,620	9,958,382
Cash and cash equivalents at end of year	\$ 3,658,401	\$ 3,710,420	\$ 468,141	\$ 2,342,730	\$ 10,179,692

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2008

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (3,894,516)	\$ 239,611	\$ (2,349,427)	\$ 394,215	\$ (5,610,117)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	264,927	127,809	18,759	-	411,495
Changes in assets and liabilities:					
Increase in receivables	(219,630)	(47,488)	(17,137)	(19,153)	(303,408)
Increase (decrease) in accounts payable	21,025	50,552	(5,669)	2,030,244	2,096,152
Increase in accrued payroll	50,511	3,096	3,046	141,745	198,398
Total adjustments	116,833	133,969	(1,001)	2,152,836	2,402,637
Net cash provided by (used in) operating activities	<u>\$ (3,777,683)</u>	<u>\$ 373,580</u>	<u>\$ (2,350,428)</u>	<u>\$ 2,547,051</u>	<u>\$ (3,207,480)</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government, on a cost reimbursement basis.

Fleet Management - This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operations; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

Office Support Services - This fund is used to account for the mail pick-up and delivery service, duplicating machines, postage metering service and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records and a centralized microfilming operation.

Workers' Compensation - This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

Employee Benefits Trust - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls, payments from retirees equaling 50 percent of coverage costs, payments from employees of 30 percent of dependent coverage and from investments. The fund is administered by seven trustees; the Controller and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator, and 4) Chief Deputy Administrator. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

Telecommunications – This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2008

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 1,826,167	\$ 403,164	\$ 5,815,663	\$ 5,870,951	\$ 265,214	\$ 14,181,159
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	35,561	174	8,243	20,010	14,781	78,769
Due from other funds	-	-	126,981	359,831	-	486,812
Inventories	384,136	-	-	-	-	384,136
Total current assets	2,245,864	403,338	6,075,887	6,250,792	279,995	15,255,876
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	25,487,531	475,506	102,992	-	398,319	26,464,348
Less accumulated depreciation	(16,258,959)	(394,103)	(35,941)	-	(287,674)	(16,976,677)
Total capital assets (net of accumulated depreciation)	10,779,075	226,583	67,051	-	110,645	11,183,354
Total assets	13,024,939	629,921	6,142,938	6,250,792	390,640	26,439,230
LIABILITIES						
Current liabilities:						
Accounts payable	566,367	92,243	2,212,112	295	148,801	3,019,818
Accrued payroll and fringe benefits	52,979	17,750	11,591	-	7,218	89,538
Compensated absences-current	-	6,681	-	-	-	6,681
Intergovernmental payable	2,049	300	519,723	-	576	522,648
OPEB liability	-	-	-	4,211,804	-	4,211,804
Unearned revenue	7,367	-	-	-	-	7,367
Accrued interest payable	12,079	-	-	-	-	12,079
Note payable - current	56,693	-	-	-	-	56,693
Lease payable - current	-	20,578	-	-	-	20,578
Total current liabilities	697,534	137,552	2,743,426	4,212,099	156,595	7,947,206
Noncurrent liabilities:						
Compensated absences	265,596	47,782	41,507	-	2,490	357,375
Lease payable	-	40,038	-	-	-	40,038
Note payable	340,499	-	-	-	-	340,499
Total noncurrent liabilities	606,095	87,820	41,507	-	2,490	737,912
Total liabilities	1,303,629	225,372	2,784,933	4,212,099	159,085	8,685,118
NET ASSETS						
Invested in capital assets, net of related debt	10,381,883	165,967	67,051	-	110,645	10,725,546
Unrestricted	1,339,427	238,582	3,290,954	2,038,693	120,910	7,028,566
Total net assets	\$ 11,721,310	\$ 404,549	\$ 3,358,005	\$ 2,038,693	\$ 231,555	\$ 17,754,112

See notes to financial statements.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2008

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 10,216,239	\$ 1,785,075	\$ 5,049,243	\$ 17,937,201	\$ 1,712,438	\$ 36,700,196
Total operating revenues	10,216,239	1,785,075	5,049,243	17,937,201	1,712,438	36,700,196
Operating expenses:						
Personnel services	1,923,519	792,749	407,438	-	268,835	3,392,541
Contractual services	1,533	2,838	3,220,688	-	120	3,225,179
Materials and supplies	7,206,123	475,495	165,989	-	17,026	7,864,633
Utilities	100,456	22,016	-	-	1,248,658	1,371,130
Repairs and maintenance	14,426	65,468	36,909	-	12,445	129,248
Rental expenses	-	293,777	-	-	-	293,777
Vehicle fleet charges	104,557	22,867	12,920	-	5,634	145,978
Employee benefits	-	-	-	18,908,952	-	18,908,952
Other expenses	870,967	32,703	23,918	-	15,763	943,351
Depreciation	2,526,085	72,626	19,680	-	46,573	2,664,964
Total operating expenses	12,747,666	1,780,539	3,887,542	18,908,952	1,615,054	38,939,753
Operating income (loss)	(2,531,427)	4,536	1,161,701	(971,751)	97,384	(2,239,557)
Nonoperating revenues (expenses):						
Interest income	-	-	222,912	43,425	-	266,337
Interest expense	(24,981)	(10,256)	-	-	-	(35,237)
Gain (loss) on disposal of capital assets	126,590	(1,043)	-	-	-	125,547
Total nonoperating revenues (expenses)	101,609	(11,299)	222,912	43,425	-	356,647
Income (loss) before transfers	(2,429,818)	(6,763)	1,384,613	(928,326)	97,384	(1,882,910)
Transfers out	(418,873)	-	(1,000,000)	-	-	(1,418,873)
Transfers in	3,501,767	-	-	1,000,000	-	4,501,767
Change in net assets	653,076	(6,763)	384,613	71,674	97,384	1,199,984
Total net assets - beginning	11,068,234	411,312	2,973,392	1,967,019	134,171	16,554,128
Total net assets - ending	\$ 11,721,310	\$ 404,549	\$ 3,358,005	\$ 2,038,693	\$ 231,555	\$ 17,754,112

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2008

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 493,513	\$ 1,726	\$ -	\$ -	\$ 47,730	\$ 542,969
Cash receipts from interfund services provided	9,749,281	1,785,434	5,034,982	17,970,278	1,657,311	36,197,286
Cash payments to suppliers for goods and services	(8,128,101)	(926,668)	(3,139,684)	(14,751,940)	(1,297,286)	(28,243,679)
Cash payments to employees for services	(1,902,092)	(808,681)	(401,975)	-	(267,596)	(3,380,344)
Net cash provided by operating activities	<u>212,601</u>	<u>51,811</u>	<u>1,493,323</u>	<u>3,218,338</u>	<u>140,159</u>	<u>5,116,232</u>
Cash flows from noncapital financing activities:						
Transfers in	3,501,767	-	-	1,000,000	-	4,501,767
Transfers (out)	(418,873)	-	(1,000,000)	-	-	(1,418,873)
Net cash provided by (used in) noncapital financing activities	<u>3,082,894</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>3,082,894</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(78,376)	(18,027)	-	-	-	(96,403)
Interest paid	(1,623)	(10,256)	-	-	-	(11,879)
Proceeds from sale of capital assets	484,803	1,711	-	-	-	486,514
Acquisition and construction of capital assets (including capitalized interest)	(3,539,275)	(83,872)	(30,147)	-	(78,612)	(3,731,906)
Net cash used in capital and related financing activities	<u>(3,134,471)</u>	<u>(110,444)</u>	<u>(30,147)</u>	<u>-</u>	<u>(78,612)</u>	<u>(3,353,674)</u>
Cash flows from investing activities:						
Interest received (paid)	-	-	222,912	43,425	-	266,337
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>222,912</u>	<u>43,425</u>	<u>-</u>	<u>266,337</u>
Net increase (decrease) in cash and cash equivalents	161,024	(58,633)	686,088	4,261,763	61,547	5,111,789
Cash and cash equivalents at beginning of year	1,665,143	461,797	5,254,575	1,609,188	203,667	9,194,370
Cash and cash equivalents at end of year	<u>\$ 1,826,167</u>	<u>\$ 403,164</u>	<u>\$ 5,940,663</u>	<u>\$ 5,870,951</u>	<u>\$ 265,214</u>	<u>\$ 14,306,159</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 1,826,167	\$ 403,164	\$ 5,815,663	\$ 5,870,951	\$ 265,214	\$ 14,181,159
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,826,167</u>	<u>\$ 403,164</u>	<u>\$ 5,940,663</u>	<u>\$ 5,870,951</u>	<u>\$ 265,214</u>	<u>\$ 14,306,159</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2008

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,531,427)	\$ 4,536	\$ 1,161,701	\$ (971,751)	\$ 97,384	\$ (2,239,557)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,526,085	72,626	19,680	-	46,573	2,664,964
Changes in assets and liabilities:						
(Increase) decrease in receivables	26,105	2,085	(14,259)	33,077	(7,397)	39,611
Increase in inventory	(52,327)	-	-	-	-	(52,327)
Increase (decrease) in accounts payable	226,999	(11,504)	320,740	4,157,012	2,360	4,695,607
Increase (decrease) in accrued payroll	21,427	(15,932)	5,461	-	1,239	12,195
Decrease in deferred revenue	(4,261)	-	-	-	-	(4,261)
Total adjustments	2,744,028	47,275	331,622	4,190,089	42,775	7,355,789
Net cash provided by operating activities	<u>\$ 212,601</u>	<u>\$ 51,811</u>	<u>\$ 1,493,323</u>	<u>\$ 3,218,338</u>	<u>\$ 140,159</u>	<u>\$ 5,116,232</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

Agency Funds - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections, Clerk of Court (who administers both Clerk of Court and Family Court funds), Controller, Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>ASSETS</u>				
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 41,251	\$ 160,401	\$ 169,260	\$ 32,392
Held by Clerk of Court				
Third parties	3,666,302	13,061,982	7,874,315	8,853,969
Held by Controller				
Third parties	334	-	334	-
Held by Delinquent Tax				
Third parties	6,873,076	92,498,163	84,380,780	14,990,459
Held by Family Court				
Third parties	459,585	32,350,004	32,469,086	340,503
Held by Magistrates				
Third parties	120,171	93,557	120,171	93,557
Held by Master-In-Equity				
Third parties	1,531,012	16,788,578	15,472,628	2,846,962
Held by Probate				
Third parties	1,687	869	2,426	130
Held by Sheriff				
Third parties	126,168	5,191,706	5,117,030	200,844
Held by Solicitor				
Third parties	273,741	546,402	448,053	372,090
Total non-pooled cash and cash equivalents	13,093,327	160,691,662	146,054,083	27,730,906
Investments				
Held by Treasurer				
Charleston County School District	3,671,623	1,707,843	3,671,623	1,707,843
Held by Delinquent Tax				
Third parties	2,999,070	-	2,999,070	-
Total Investments	6,670,693	1,707,843	6,670,693	1,707,843

CONTINUED

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS				
Pooled cash and cash equivalents:				
Held by Treasurer				
C & B Fire Department	\$ 6,485	\$ 8,369	\$ 6,000	\$ 8,854
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	(288,806)	16,029,050	15,800,840	(60,596)
Charleston County School District	5,377,252	403,200,843	402,763,769	5,814,326
City of Charleston	5,154,674	54,811,840	59,630,302	336,212
City of Folly Beach	5,307	1,920,372	1,910,913	14,766
City of Folly Beach/James Island	32	41,787	39,655	2,164
City of Isle of Palms	12,988	3,919,733	3,901,856	30,865
City of North Charleston	3,143,593	34,722,116	37,577,416	288,293
Cooper River PPC	1,768	249,162	247,903	3,027
East Cooper Fire District	68	-	-	68
James Island PSD	373,665	5,811,584	5,838,192	347,057
James Island Fireman's Fund	-	61,361	61,361	-
North Charleston District	10,973	1,403,225	1,395,518	18,680
S. C. Fireman's Association	-	3,012,988	3,012,988	-
St. Andrew's PPPC	20,532	1,492,895	1,492,922	20,505
St. Andrew's Public Service District	66,167	5,221,707	5,225,530	62,344
St. John's Fire District	197,321	9,668,678	9,758,324	107,675
St. John's Fireman's Fund	231,497	293,876	231,497	293,876
St. Paul's Fire District	41,271	3,898,394	3,894,714	44,951
State Agencies	224,444	4,085,029	4,151,903	157,570
Third parties	(971,150)	60,478,538	60,712,915	(1,205,527)
Town of Awendaw Fireman's Assoc	-	45,817	45,817	-
Town of Awendaw	4,328	288,362	289,332	3,358
Town of Lincolnville	2,169	98,442	99,184	1,427
Town of McClellanville	1,469	245,738	244,051	3,156
Town of Mount Pleasant	3,669,937	20,804,949	19,644,445	4,830,441
Town of Sullivan's Island	11,076	1,390,802	1,394,793	7,085
Town of Summerville	64,640	116,009	72,043	108,606
Ten Mile Whitehall Escrow	-	206,741	-	206,741
Total held by Treasurer	17,360,662	633,528,407	639,444,183	11,444,886
Held by Drug Seizure Trust				
Third parties	109,139	388,684	246,303	251,520
Total pooled cash and cash equivalents	17,469,801	633,917,091	639,690,486	11,696,406
Total assets	\$ 37,233,821	\$ 796,316,596	\$ 792,415,262	\$ 41,135,155

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ (288,806)	\$ 16,029,050	\$ 15,800,840	\$ (60,596)
Cooper River PPC	1,768	249,162	247,903	3,027
James Island PSD	373,665	5,811,584	5,838,192	347,057
North Charleston District	10,973	1,403,225	1,395,518	18,680
St. Andrew's PPPC	20,532	1,492,895	1,492,922	20,505
St. John's Fire District	197,321	9,668,678	9,758,324	107,675
St. Paul's Fire District	41,271	3,898,394	3,894,714	44,951
Total due to component units	356,724	38,552,988	38,428,413	481,299
Intergovernmental payable:				
C & B Fire Department	6,485	8,369	6,000	8,854
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	9,048,875	399,529,220	401,055,926	7,522,169
City of Charleston	5,154,674	54,811,840	59,630,302	336,212
City of Folly Beach	5,307	1,920,372	1,910,913	14,766
City of Folly Beach/James Island	32	41,787	39,655	2,164
City of Isle of Palms	12,988	3,919,733	3,901,856	30,865
City of North Charleston	3,143,593	34,722,116	37,577,416	288,293
East Cooper Fire District	68	-	-	68
James Island Fireman's Fund	-	61,361	61,361	-
S. C. Fireman's Association	-	3,012,988	3,012,988	-
St. John's Fireman's Fund	231,497	293,876	231,497	293,876
St. Andrew's Public Service District	66,167	5,221,707	5,225,530	62,344
State Agencies	224,444	4,085,029	4,151,903	157,570
Town of Awendaw Fireman's Assoc	-	45,817	45,817	-
Town of Awendaw	4,328	288,362	289,332	3,358
Town of Lincolnville	2,169	98,442	99,184	1,427
Town of McClellanville	1,469	245,738	244,051	3,156
Town of Mount Pleasant	3,669,937	20,804,949	19,644,445	4,830,441
Town of Sullivan's Island	11,076	1,390,802	1,394,793	7,085
Town of Summerville	64,640	116,009	72,043	108,606
Ten Mile Whitehall Escrow	-	206,741	-	206,741
Total intergovernmental payable	21,646,711	530,825,258	538,595,012	13,876,957
Due to third parties	15,230,386	221,558,884	210,012,371	26,776,899
Total liabilities	\$ 37,233,821	\$ 790,937,130	\$ 787,035,796	\$ 41,135,155

See notes to financial statements.

**CHARLESTON COUNTY, SOUTH CAROLINA
CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**



COUNTY OF CHARLESTON, SOUTH CAROLINA
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function
June 30, 2008

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 1,102,226	\$ 67,508,187	\$ 1,055,674	\$ 39,260,052	\$ -	\$ 3,722,356	\$ 112,648,494
Public safety	1,493,871	38,865,632	-	14,912,243	-	14,110,670	69,382,416
Judicial	-	60,731,081	-	826,161	-	-	61,557,242
Public works	294,218	556,595	67,191	1,278,454	44,808,855	-	47,005,312
Health and welfare	177,160	1,489,070	2,081,222	656,090	-	-	4,403,542
Culture and recreation	13,266,684	27,642,799	-	24,269	-	-	40,933,753
Total	\$ 16,334,159	\$ 196,793,363	\$ 3,204,087	\$ 56,957,268	\$ 44,808,855	\$ 17,833,026	\$ 335,930,759

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF CHARLESTON, SOUTH CAROLINA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
For the Year Ended June 30, 2008

Function	Restated Balance July 1, 2007	Additions *	Deletions *	Balance June 30, 2008
General government	\$ 112,248,485	\$ 7,039,331	\$ (6,639,322)	\$ 112,648,494
Public safety	56,089,397	16,970,326	(3,677,307)	69,382,416
Judicial	61,674,924	15,876	(133,558)	61,557,242
Public works	46,480,360	723,964	(199,012)	47,005,312
Health and welfare	5,086,552	-	(683,010)	4,403,542
Culture and recreation	40,951,111	-	(17,358)	40,933,753
Total	\$ 322,530,829	\$ 24,749,497	\$ (11,349,567)	\$ 335,930,759

* The additions and deletions include amounts for inter-function transfers.

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**STATISTICAL TABLES
(UNAUDITED)**



STATISTICAL SECTION

This section of the County of Charleston South Carolina's comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the County's overall financial health.

	Page Number
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	171 - 177
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	178 - 181
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	182 - 186
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	187 - 188
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	189 - 197
Financial Assurance Coverage	198

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	(A)	(A)	(A)	\$ 38,880,686	\$ 40,126,334	\$ 49,998,715	\$ 57,359,439	\$ 73,784,397	\$ 89,153,294	\$ 102,685,537
Restricted	(A)	(A)	(A)	51,356,705	28,420,510	32,932,674	60,338,152	51,638,770	69,829,579	120,020,898
Unrestricted	(A)	(A)	(A)	65,557,470	41,986,611	33,263,298	11,749,363	37,628,366	26,178,518	(61,981,588)
Total Governmental Activities Net Assets	-	-	-	<u>\$ 155,794,861</u>	<u>\$ 110,533,455</u>	<u>\$ 116,194,687</u>	<u>\$ 129,446,954</u>	<u>\$ 163,051,533</u>	<u>\$ 185,161,391</u>	<u>\$ 160,724,847</u>
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	(A)	(A)	(A)	\$ 20,476,139	\$ 22,345,734	\$ 18,801,715	\$ 20,241,171	\$ 17,983,156	\$ 24,637,561	\$ 26,839,792
Restricted	(A)	(A)	(A)	27,483,291	14,418,181	8,462,709	11,141,799	49,159,942	34,873,968	38,021,909
Unrestricted	(A)	(A)	(A)	7,081,588	25,676,672	38,441,936	42,327,249	15,023,549	36,781,998	40,032,892
Total Business-type Activities Net assets	-	-	-	<u>\$ 55,041,018</u>	<u>\$ 62,440,587</u>	<u>\$ 65,706,360</u>	<u>\$ 73,710,219</u>	<u>\$ 82,166,647</u>	<u>\$ 96,293,527</u>	<u>\$ 104,894,593</u>
Primary Government										
Invested in Capital Assets, Net of Related Debt	(A)	(A)	(A)	\$ 59,356,825	\$ 62,472,068	\$ 68,800,430	\$ 77,600,610	\$ 91,767,553	\$ 113,790,855	\$ 129,525,329
Restricted	(A)	(A)	(A)	78,839,996	42,838,691	41,395,383	71,479,951	100,798,712	104,703,547	158,042,807
Unrestricted	(A)	(A)	(A)	72,639,058	67,663,283	71,705,234	54,076,612	52,651,915	62,960,516	(21,948,696)
Total Primary Government Net Assets	-	-	-	<u>\$ 210,835,879</u>	<u>\$ 172,974,042</u>	<u>\$ 181,901,047</u>	<u>\$ 203,157,173</u>	<u>\$ 245,218,180</u>	<u>\$ 281,454,918</u>	<u>\$ 265,619,440</u>

(A) GASB 34 was not implemented until the 2002 fiscal year; net asset information is not available prior to that fiscal year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenses										
Governmental Activities:										
General Government	(A)	(A)	(A)	\$ 40,355,391	\$ 42,030,869	\$ 44,073,903	\$ 48,480,730	\$ 54,974,087	\$ 65,198,099	\$ 65,852,893
Public Safety	(A)	(A)	(A)	49,424,542	57,667,474	60,199,756	65,411,630	67,475,922	65,619,715	79,153,052
Judicial	(A)	(A)	(A)	13,274,645	15,150,950	16,303,000	17,626,761	19,042,092	20,545,790	22,201,442
Public Works	(A)	(A)	(A)	12,371,692	14,249,365	13,047,445	14,569,632	23,717,878	40,185,783	31,011,124
Health and Welfare	(A)	(A)	(A)	11,240,334	13,698,800	12,259,223	11,823,614	10,992,770	11,112,177	12,879,164
Economic Development	(A)	(A)	(A)	730,879	584,991	1,057,507	943,669	3,481,117	1,324,790	3,228,377
Culture and Recreation	(A)	(A)	(A)	14,145,906	14,744,185	17,464,877	16,731,110	18,133,308	21,307,239	53,822,207
Education	(A)	(A)	(A)	3,549,382	3,592,277	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300
Interest and Fiscal Charges	(A)	(A)	(A)	9,931,428	10,697,842	9,306,029	10,107,693	10,453,449	9,311,104	18,461,680
Total Governmental Activities Expenses	(A)	(A)	(A)	<u>155,024,199</u>	<u>172,416,753</u>	<u>177,447,635</u>	<u>189,625,877</u>	<u>213,275,582</u>	<u>239,742,540</u>	<u>291,935,239</u>
Business-Type Activities:										
E 911	(A)	(A)	(A)	945,397	923,506	905,427	1,167,080	888,812	984,112	1,015,968
Solid Waste	(A)	(A)	(A)	26,371,802	26,266,186	27,252,627	29,335,704	32,430,587	30,229,939	39,064,678
Parking Garage	(A)	(A)	(A)	2,669,181	2,705,187	2,322,980	1,922,169	1,712,310	1,753,719	2,008,395
DOADAS	(A)	(A)	(A)	8,786,426	7,795,981	8,185,395	8,493,417	8,667,219	8,984,048	9,348,853
Revenue Collections	(A)	(A)	(A)	-	-	-	-	-	-	1,724,477
Radio Communications	(A)	(A)	(A)	-	-	-	-	-	1,800,430	1,973,647
Total Business-Type Activities Expenses	(A)	(A)	(A)	<u>38,772,806</u>	<u>37,690,860</u>	<u>38,666,429</u>	<u>40,918,370</u>	<u>43,698,928</u>	<u>43,752,248</u>	<u>55,136,018</u>
Total Primary Government Expenses	(A)	(A)	(A)	<u>\$ 193,797,005</u>	<u>\$ 210,107,613</u>	<u>\$ 216,114,064</u>	<u>\$ 230,544,247</u>	<u>\$ 256,974,510</u>	<u>\$ 283,494,788</u>	<u>\$ 347,071,257</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	(A)	(A)	(A)	\$ 10,150,792	\$ 13,676,611	\$ 15,440,672	\$ 17,935,275	\$ 19,041,161	\$ 18,098,660	\$ 16,034,883
Public Safety	(A)	(A)	(A)	5,768,142	6,721,223	7,878,504	6,290,751	6,157,762	6,622,976	11,396,678
Judicial	(A)	(A)	(A)	5,494,170	5,900,661	7,292,551	7,253,058	7,778,889	7,641,424	8,319,231
Public Works	(A)	(A)	(A)	216,747	108,535	143,354	179,664	196,147	1,927,468	4,941,336
Health and Welfare	(A)	(A)	(A)	654,450	804,262	558,244	788,557	1,150,312	4,930,221	612,029
Culture and Recreation	(A)	(A)	(A)	79,220	68,828	66,441	73,303	201,705	179,007	4,003,383
Education	(A)	(A)	(A)	-	-	10,170	-	-	-	-
Operating Grants and Contributions	(A)	(A)	(A)	15,693,824	17,389,105	16,592,529	19,298,359	21,435,951	18,216,119	20,814,984
Capital Grants and Contributions	(A)	(A)	(A)	-	-	-	3,131,573	-	-	-
Total Governmental Activities Program Revenues	(A)	(A)	(A)	<u>38,057,345</u>	<u>44,669,225</u>	<u>47,982,465</u>	<u>54,950,540</u>	<u>55,961,927</u>	<u>57,615,875</u>	<u>66,122,524</u>

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Business-Type Activities:										
Charges for Services:										
E 911	(A)	(A)	(A)	\$ 1,148,171	\$ 1,120,349	\$ 1,273,381	\$ 1,940,631	\$ 1,265,946	\$ 1,379,569	\$ 1,365,183
Solid Waste	(A)	(A)	(A)	29,199,399	29,429,531	32,729,983	33,605,612	35,799,249	37,594,483	43,770,682
Parking Garage	(A)	(A)	(A)	2,720,599	2,833,338	8,290,653	2,008,933	2,066,315	2,424,078	2,501,491
DAODAS	(A)	(A)	(A)	4,374,792	3,707,126	3,783,036	5,519,478	4,113,731	6,361,075	4,475,009
Revenue Collections	(A)	(A)	(A)	-	-	-	-	-	-	1,071,795
Radio Communications	(A)	(A)	(A)	-	-	-	-	-	107,515	525,126
Operating Grants and Contributions	(A)	(A)	(A)	4,172,690	3,629,030	3,092,077	1,138,657	2,933,166	979,399	3,081,039
Capital Grants and Contributions	(A)	(A)	(A)	-	-	-	-	904,389	1,240	-
Total Business-type Activities Program Revenues	(A)	(A)	(A)	<u>41,615,651</u>	<u>40,719,374</u>	<u>49,169,130</u>	<u>44,213,311</u>	<u>47,082,796</u>	<u>48,847,359</u>	<u>56,790,325</u>
Total Primary Government Program Revenues	(A)	(A)	(A)	<u>\$ 79,672,996</u>	<u>\$ 85,388,599</u>	<u>\$ 97,151,595</u>	<u>\$ 99,163,851</u>	<u>\$ 103,044,723</u>	<u>\$ 106,463,234</u>	<u>\$ 122,912,849</u>
Net (Expense)/Revenue										
Governmental Activities	(A)	(A)	(A)	\$ (116,966,854)	\$ (127,747,528)	\$ (129,465,170)	\$ (134,675,337)	\$ (157,313,655)	\$ (182,126,665)	\$ (225,812,715)
Business-type Activities	(A)	(A)	(A)	2,842,845	3,028,514	10,502,701	3,294,941	3,383,868	5,095,111	1,654,307
Total Primary Government Net (Expense)/Revenue	(A)	(A)	(A)	<u>\$ (114,124,009)</u>	<u>\$ (124,719,014)</u>	<u>\$ (118,962,469)</u>	<u>\$ (131,380,396)</u>	<u>\$ (153,929,787)</u>	<u>\$ (177,031,554)</u>	<u>\$ (224,158,408)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes by Source:										
Property Tax	(A)	(A)	(A)	\$ 76,672,139	\$ 76,262,067	\$ 76,421,626	\$ 77,341,114	\$ 82,216,983	\$ 82,289,668	\$ 86,507,891
Local Option Sales Tax	(A)	(A)	(A)	32,061,842	32,445,350	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297
Transportation Tax	(A)	(A)	(A)	-	-	-	5,870,000	37,116,336	39,521,307	40,097,074
Accommodations Tax	(A)	(A)	(A)	6,561,848	6,683,992	6,927,227	7,611,446	8,292,848	9,176,823	9,872,302
Franchise Tax	(A)	(A)	(A)	689,269	545,425	589,622	793,129	774,254	538,048	955,712
Merchants Inventory Tax and Manufacture's Depreciation	(A)	(A)	(A)	1,607,919	1,682,766	1,715,716	1,677,255	1,563,067	1,632,214	1,611,561
Motor Carrier Tax	(A)	(A)	(A)	171,651	132,567	77,160	108,871	116,292	129,110	140,426
State Aid to Political Subdivisions	(A)	(A)	(A)	13,839,678	13,654,987	13,781,116	13,959,555	14,603,288	16,098,226	17,864,865
Grants and Contributions not Restricted to Specific Program	(A)	(A)	(A)	217,231	-	-	-	-	-	-
Unrestricted Investment Earnings	(A)	(A)	(A)	3,957,860	727,946	469,755	2,495,650	5,757,314	5,421,959	3,749,245
Gain (Loss) on Sale of Capital Assets	(A)	(A)	(A)	181,165	(214,959)	387,618	-	514,247	-	-
Transfers	(A)	(A)	(A)	(2,816,345)	(2,509,762)	8,151,631	(3,289,535)	(3,601,887)	(5,052,023)	(3,881,034)
Total Governmental Activities	(A)	(A)	(A)	<u>133,144,257</u>	<u>129,410,379</u>	<u>144,150,548</u>	<u>144,667,582</u>	<u>189,511,916</u>	<u>193,779,728</u>	<u>201,376,339</u>

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Business-type activities:										
Property Taxes	(A)	(A)	(A)	\$ -	\$ 359	\$ 48	\$ 64	\$ 65	\$ -	\$ -
Alcoholic Beverage Tax	(A)	(A)	(A)	481,219	514,357	528,466	542,927	523,037	505,366	542,927
Merchants Inventory tax and Manufacture's Depreciation	(A)	(A)	(A)	11,015	10,832	10,832	10,832	10,832	10,832	10,832
Unrestricted Investment Earnings	(A)	(A)	(A)	1,155,267	640,025	396,412	832,632	1,782,440	3,368,608	2,446,082
Gain (Loss) on Sale of Capital Assets	(A)	(A)	(A)	(111,664)	(22,975)	-	-	3,811	94,940	65,886
Transfers	(A)	(A)	(A)	2,816,345	2,509,762	(8,151,631)	3,289,535	3,601,887	5,052,023	3,881,034
Total Business-type Activities	(A)	(A)	(A)	4,352,182	3,652,360	(7,215,873)	4,675,990	5,922,072	9,031,769	6,946,761
Total Primary Government	(A)	(A)	(A)	<u>\$ 137,496,439</u>	<u>\$ 133,062,739</u>	<u>\$ 136,934,675</u>	<u>\$ 149,343,572</u>	<u>\$ 195,433,988</u>	<u>\$ 202,811,497</u>	<u>\$ 208,323,100</u>
Special Items										
Change in Net Assets:				(224,758)	(7,573,526)	(9,151,217)	3,471,464	1,383,940		-
Governmental Activities	(A)	(A)	(A)	15,952,645	(5,910,675)	5,534,161	13,463,709	33,582,201	11,653,063	(24,436,376)
Business-type Activities	(A)	(A)	(A)	7,195,027	6,680,874	3,286,828	7,970,931	9,305,940	14,126,880	8,601,068
Prior Period Adjustment	(A)	(A)	(A)	-	-	-	-	-	10,456,795	-
Total Primary Government	(A)	(A)	(A)	<u>\$ 23,147,672</u>	<u>\$ 770,199</u>	<u>\$ 8,820,989</u>	<u>\$ 21,434,640</u>	<u>\$ 42,888,141</u>	<u>\$ 36,236,738</u>	<u>\$ (15,835,308)</u>

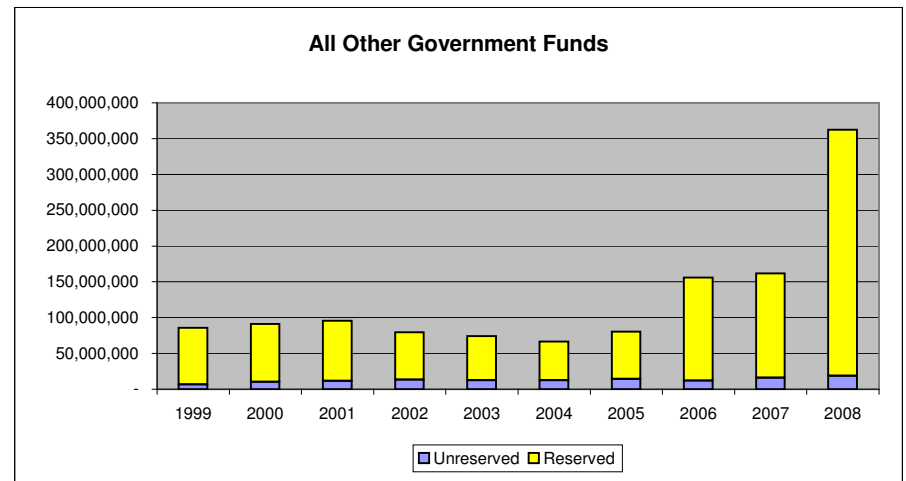
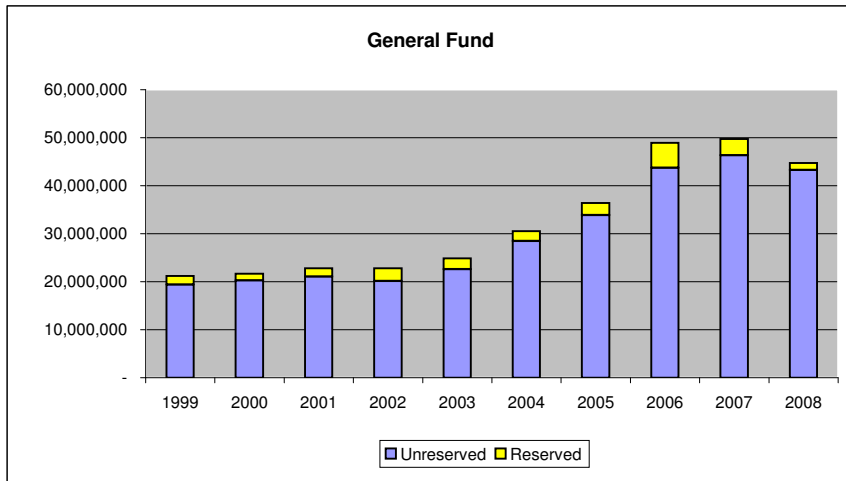
(A) GASB 34 was not implemented until the 2002 fiscal year; change in net asset information is not available prior to that fiscal year.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 1,743,441	\$ 1,400,707	\$ 1,738,607	\$ 2,640,074	\$ 2,327,895	\$ 2,057,482	\$ 2,470,102	\$ 5,202,242	\$ 3,367,810	\$ 1,461,994
Unreserved	19,423,269	20,251,529	21,037,076	20,142,964	22,571,681	28,453,427	33,899,138	43,731,980	46,333,758	43,266,383
Total General Fund	\$21,166,710	\$21,652,236	\$22,775,683	\$22,783,038	\$24,899,576	\$30,510,909	\$36,369,240	\$48,934,222	\$49,701,568	\$44,728,377
All Other Governmental Funds										
Reserved										
Inventories and Prepaid Items	\$ -	\$ 7,905	\$ -	\$ -	\$ 212,671	\$ 204,652	\$ 299,021	\$ 11,603	\$ 11,602	\$ -
Encumbrances	30,391,049	42,770,830	29,748,490	14,947,995	15,093,314	7,163,103	5,628,457	13,318,333	9,008,571	11,406,709
Debt Service	2,215,848	5,599,228	7,515,689	10,226,831	9,212,186	11,951,945	26,279,539	18,953,106	18,252,403	19,702,506
Capital Projects Funds	46,579,642	32,543,827	46,940,375	41,147,186	37,062,341	34,782,398	34,058,613	32,685,664	22,441,838	82,345,276
Transportation and Road Sales Tax	-	-	-	-	-	-	-	78,931,458	96,021,511	230,106,543
Unreserved, Reported In:										
Special Revenue Funds	6,612,852	10,337,025	11,411,114	13,383,688	12,427,657	12,505,052	14,384,176	12,042,386	16,128,286	18,760,941
Total All Other Governmental Funds	\$85,799,391	\$91,258,815	\$95,615,668	\$79,705,700	\$74,008,169	\$66,607,150	\$80,649,806	\$155,942,550	\$161,864,211	\$362,321,975

Note: The significant increase in reserved fund balance is due to the Transportation and Road Sales Tax Special Revenue Fund that was initiated in fiscal year 2006.



COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes by Source:										
Property Tax	\$ 59,702,515	\$ 63,329,697	\$ 68,609,823	\$ 76,617,795	\$ 76,060,041	\$ 76,637,031	\$ 77,352,935	\$ 82,395,793	\$ 82,296,820	\$ 84,190,895
Local Option Sales Tax	28,307,931	30,894,479	32,065,271	32,061,842	32,445,350	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297
Transportation Tax	-	-	-	-	-	-	5,870,000	37,116,336	39,521,307	40,097,074
Intergovernmental	42,716,262	37,811,052	31,682,123	31,708,211	34,026,407	35,526,262	35,529,286	38,162,337	36,427,704	38,689,016
Permits and Licenses	17,296,238	17,049,868	18,404,737	19,395,825	21,240,225	23,974,732	28,134,114	5,039,668	5,290,740	5,772,105
Fines and Forfeitures	2,539,845	3,211,203	3,503,947	3,417,423	2,934,280	2,950,070	3,093,825	3,120,755	3,171,436	3,183,551
Interest	5,855,946	8,207,424	7,819,320	4,159,112	3,151,337	2,690,076	4,211,316	8,221,219	12,701,241	13,619,319
Service Charges	3,707,788	3,768,561	3,682,270	3,992,204	4,395,844	5,005,436	5,362,174	30,891,094	31,321,258	38,245,154
Rental and Use of Property	2,366,356	2,338,124	1,772,953	987,732	977,369	913,155	764,147	824,999	749,145	723,986
Other Revenues	3,300,684	2,439,107	3,525,675	2,168,314	2,151,627	2,429,717	15,712,452	3,195,766	2,912,098	5,356,322
Total Revenues	165,793,565	169,049,515	171,066,119	174,508,458	177,382,480	185,755,556	214,130,346	251,127,141	258,416,145	274,335,719
Expenditures										
Current:										
General Government	37,148,373	39,517,215	44,105,433	36,599,028	36,219,659	36,301,070	39,019,532	47,343,899	49,539,889	54,474,427
Public Safety	41,022,122	45,655,900	47,523,098	51,775,854	54,047,731	58,756,537	63,543,857	65,342,995	67,808,448	73,042,772
Judicial	-	-	-	13,288,448	13,741,592	14,573,036	16,001,052	17,593,865	19,349,156	20,946,565
Public Works	6,417,127	6,768,380	7,424,993	12,492,420	11,679,447	12,461,062	11,762,912	25,287,241	30,892,171	28,562,619
Health and Welfare	10,553,373	10,318,046	9,274,448	11,470,130	13,388,372	11,980,147	11,665,243	10,822,458	10,984,189	12,728,543
Economic Development	646,337	632,264	654,977	732,242	582,206	1,055,405	953,526	3,480,343	1,327,411	3,230,479
Culture and Recreation	12,494,714	13,297,032	13,615,973	13,804,030	14,061,914	15,121,758	16,029,300	17,427,709	20,501,703	53,428,524
Education	6,058,147	6,280,381	6,497,866	3,549,382	3,592,277	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300
Capital Outlay	23,209,960	39,465,880	37,027,780	24,235,436	11,437,194	12,418,844	8,378,854	11,443,269	16,785,576	23,940,281
Debt Service:										
Principal	8,489,993	8,943,128	8,217,722	6,782,392	8,764,798	11,383,731	9,190,168	13,935,403	14,163,474	16,569,890
Interest and Fiscal Charges	8,980,462	6,928,247	9,239,501	9,957,303	9,583,270	10,445,027	9,675,723	9,437,517	8,906,724	15,476,402
Bond Issuance Costs	-	152,923	363,146	-	-	887,728	314,963	288,427	-	97,756
Total Expenditures	155,020,608	177,959,396	183,944,937	184,686,665	177,098,460	189,120,240	190,466,168	227,408,085	245,396,584	307,823,558
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,772,957	(8,909,881)	(12,878,818)	(10,178,207)	284,020	(3,364,684)	23,664,178	23,719,056	13,019,561	(33,487,839)

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other Financing Sources (Uses)										
Capital Lease Proceeds	\$ -	\$ -	\$ -	\$ 679,887	\$ 915,806	\$ 431,614	\$ 844,468	\$ 841,831	\$ 1,429,804	\$ 100,539
Sale of GO Transportation Sales Tax Bonds	-	-	-	-	-	-	-	65,000,000	-	150,000,000
Sale of General Obligation Bonds	-	-	-	-	-	-	-	-	-	75,000,000
Refunding General Obligation Bonds Issued	-	49,845,105	30,349,046	-	-	63,740,000	-	-	-	-
Refunding Certificates of participation Issued	-	-	-	-	-	38,527,153	16,139,845	-	-	-
Premium on Bonds Sold	-	-	-	-	-	2,753,332	707,763	1,978,623	-	10,789,016
Payment to Refunded Debt Escrow Agent	-	(29,243,355)	(5,859,135)	-	-	(100,978,948)	(16,749,287)	-	-	-
Transfers In	11,506,554	8,858,326	6,457,997	7,729,355	6,173,477	27,328,853	11,448,598	26,475,413	20,464,780	30,244,272
Transfers Out	(19,228,421)	(15,016,484)	(13,095,710)	(14,065,067)	(10,982,211)	(22,250,488)	(17,580,736)	(32,954,151)	(28,357,277)	(37,208,200)
Sale of Capital Assets	-	-	-	118,014	24,645	1,144,447	1,572,599	1,390,616	194,554	46,780
Total Other Financing Sources (Uses)	<u>(7,721,867)</u>	<u>14,443,592</u>	<u>17,852,198</u>	<u>(5,537,811)</u>	<u>(3,868,283)</u>	<u>10,695,963</u>	<u>(3,616,750)</u>	<u>62,732,332</u>	<u>(6,268,139)</u>	<u>228,972,407</u>
Speical Item	-	-	-	-	-	(9,151,217)	-	1,383,940	-	-
Net Change in Fund Balances	<u>\$ 3,051,090</u>	<u>\$ 5,533,711</u>	<u>\$ 4,973,380</u>	<u>\$ (15,716,018)</u>	<u>\$ (3,584,263)</u>	<u>\$ (1,819,938)</u>	<u>\$ 20,047,428</u>	<u>\$ 87,835,328</u>	<u>\$ 6,751,422</u>	<u>\$ 195,484,568</u>
Capital Asset Expenditures	<u>\$ 36,436,215</u>	<u>\$ 36,436,215</u>	<u>\$ 33,296,043</u>	<u>\$ 24,354,576</u>	<u>\$ 12,453,729</u>	<u>\$ 14,125,020</u>	<u>\$ 10,692,730</u>	<u>\$ 16,576,342</u>	<u>\$ 15,664,602</u>	<u>\$ 21,139,930</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>14.7%</u>	<u>11.3%</u>	<u>11.8%</u>	<u>10.4%</u>	<u>11.1%</u>	<u>13.0%</u>	<u>10.7%</u>	<u>11.2%</u>	<u>10.0%</u>	<u>11.2%</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30,	Real Property	Personal Property	Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
1999	\$ 713,853,651	\$ 179,288,844	\$ 161,088,282	\$ 1,054,230,777	218.5	\$ 17,329,190,818	6.08%
2000	766,283,307	185,778,620	171,560,857	1,123,622,784	213.9	17,950,748,824	6.26%
2001	1,145,417,703	192,723,669	180,661,249	1,518,802,621	180.0	25,483,155,603	5.96%
2002	1,297,211,547	201,808,305	172,330,164	1,671,350,016	180.2	29,415,537,271	5.68%
2003	1,347,982,940	208,482,465	169,956,308	1,726,421,713	187.7	30,569,891,246	5.65%
2004	1,394,103,212	210,193,376	173,309,334	1,777,605,922	191.9	31,642,939,115	5.62%
2005	2,041,172,452	213,698,050	164,182,170	2,419,052,672	161.3	44,178,997,925	5.48%
2006	2,197,536,874	194,576,361	153,380,326	2,545,493,561	160.8	47,282,058,031	5.38%
2007	2,308,701,112	210,195,223	159,335,124	2,678,231,459	160.8	49,446,157,317	5.42%
2008	2,525,310,042	215,663,434	175,326,815	2,916,300,291	168.0	48,860,800,050	5.97%

Source: Charleston County Auditor

Note: 1 Property in the county was last reassessed for fiscal year 2001. Tax rates are per \$1,000 of assessed value.

Note: 2 For FY 1989, the State passed legislation that exempted business inventory from property tax. The assessed value of the exempted inventory for FY 1990 was approximately \$209,000,000. In place of the property tax, the State now pays the County, through State shared revenues the amount of tax that was received in FY 1988. This amount is frozen for all future years at the FY 1988 level.

Note: 3 Under SC Law all real property is appraised at actual market value then adjusted to reflect the county-wide composite average of appraised value to sales for the prior year, to arrive at assessed value. This value of both real estate and personal property is then adjusted to a taxable value between 4% and 10.5% depending on the type of property. This is used to determine the legal debt margin.

COUNTY OF CHARLESTON, SOUTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct Rates:										
Charleston County Government Operating	69.2	69.2	50.8	50.8	50.8	51.3	40.2	40.2	40.2	40.2
Charleston County Government Debt Service	16.6	16.6	10.4	10.4	10.4	9.9	6.6	6.6	6.6	6.6
Park and Recreation Commission Operating	4.5	4.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Park and Recreation Commission Debt Service	5.6	5.6	3.7	3.7	3.7	3.7	2.1	2.1	2.1	2.1
Trident Technical College	2.8	2.8	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2
County School Board Operating	90.0	90.0	89.1	89.3	105.1	109.0	91.1	92.8	92.8	95.4
County School Board Debt Service	29.8	25.2	20.4	20.4	12.1	12.4	15.8	13.6	13.6	18.2
Total Direct Rate	218.5	213.9	180.0	180.2	187.7	191.9	161.3	160.8	160.8	168.0
Fire District Rates:	29.0 - 59.2	28.5 - 59.2	23.8 - 51.5	21.8 - 50.9	23.2 - 50.9	23.9 - 51.5	16.5 - 40.3	16.5 - 40.3	16.5 - 40.3	12.0 - 41.5
City/Town Rates:	34.2 - 129.8	34.2 - 129.8	28.3 - 116.4	26.2 - 116.4	27.9 - 116.4	28.5 - 116.4	17.9 - 115.5	18.5 - 92.8	18.5 - 92.8	22.4 - 92.8
Public Service District Rates:	82.2 - 97.0	85.7 - 104.4	77.4 - 104.6	72.1 - 104.5	74.2 - 104.5	74.2 - 111.4	55.2 - 111.2	55.2 - 108.4	55.2 - 108.4	77.6 - 103.8

Source: The above millage rates were provided by the Charleston County Auditor.

Note: Overlapping rates are those of local and county-wide governments that apply to property owners within the County of Charleston South Carolina. Not all overlapping rates apply to all of Charleston County property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the Charleston County's property owners whose property is located within the geographic boundaries of the fire/special purpose

**COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
(Modified Accrual Basis of Accounting)**

UNAUDITED

Taxpayer	Type of Business	2008			1999		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SCE & G	Electric and Gas Utility	\$ 36,140,640	1	1.34%	\$ 29,285,390	1	3.0%
Bell South	Telecommunications	18,727,070	2	0.70%	17,268,170	3	1.8%
MeadWestvaco	Paper and Chemicals	16,989,600	3	0.63%	28,861,580	2	3.0%
Kiawah Real Estate Co.	Real Estate	7,580,440	4	0.28%	-		
Charleston Place LLC	Hotels and Convention Center	5,380,080	5	0.20%	-		
Berkeley Electric Co-Op	Electric and Gas Utility	5,203,040	6	0.19%	-		
Cellco	Telecommunications	5,146,820	7	0.19%	3,052,510	6	0.3%
North Charleston Joint Venture II	Retail	4,897,680	8	0.18%	-		
Kiawah Resort Associates LP	Development	4,471,370	9	0.17%	3,083,320	5	0.3%
IMI Mt Pleasant	Retail	3,953,040	10	0.15%	-		
Albright & Wilson	Chemicals	-			4,442,220	4	0.5%
Cummins Engine	Engine Fabrication	-			2,964,990	7	0.3%
Charleston Center, LLC	Hotels and Convention Center	-			2,187,590	8	0.2%
Charleston Joint Venture	Retail	-			1,661,660	9	0.2%
Evening Post	News Media	-			1,379,170	10	0.1%
Totals		<u>\$ 108,489,780</u>		<u>4.0%</u>	<u>\$ 94,186,600</u>		<u>9.7%</u>

Source: Charleston County Auditor

**COUNTY OF CHARLESTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 56,070,347	\$ 56,070,347	\$ 53,371,581	95.2%	\$ 2,160,466	\$ 55,532,047	99.0%
2000	59,000,991	59,000,991	56,322,447	95.5%	2,011,691	58,334,138	98.9%
2001	62,990,678	62,990,678	60,011,687	95.3%	1,982,593	61,994,280	98.4%
2002	69,979,712	69,979,712	66,574,527	95.1%	2,593,554	69,168,081	98.8%
2003	70,724,095	70,724,095	67,801,645	95.9%	2,345,519	70,147,164	99.2%
2004	73,504,819	73,504,819	70,729,990	96.2%	1,229,078	71,959,068	97.9%
2005	71,982,912	71,982,912	69,530,828	96.6%	1,078,387	70,609,215	98.1%
2006	75,825,360	75,825,360	73,525,524	97.0%	1,116,962	74,642,486	98.4%
2007	76,026,583	76,026,583	73,199,901	96.3%	1,569,694	74,769,595	98.3%
2008	78,854,461	78,854,461	75,500,629	95.7%	3,081,133	78,581,762	99.7%

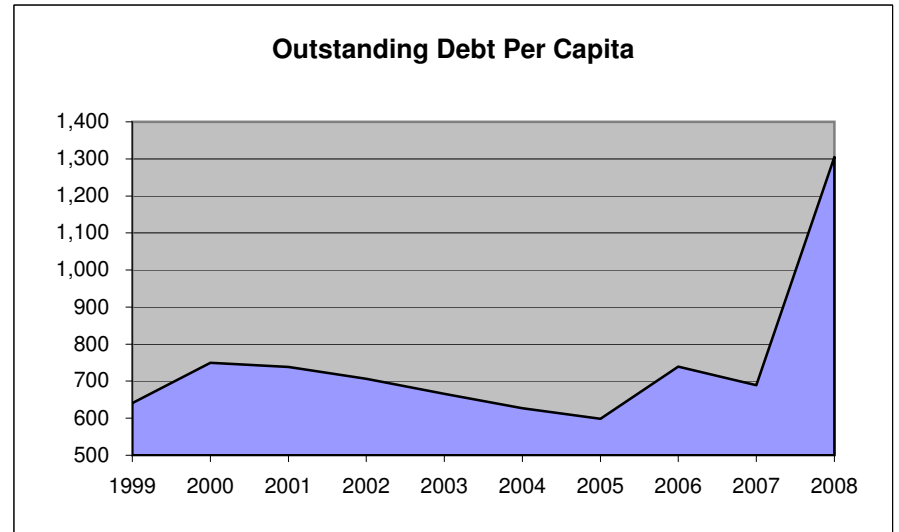
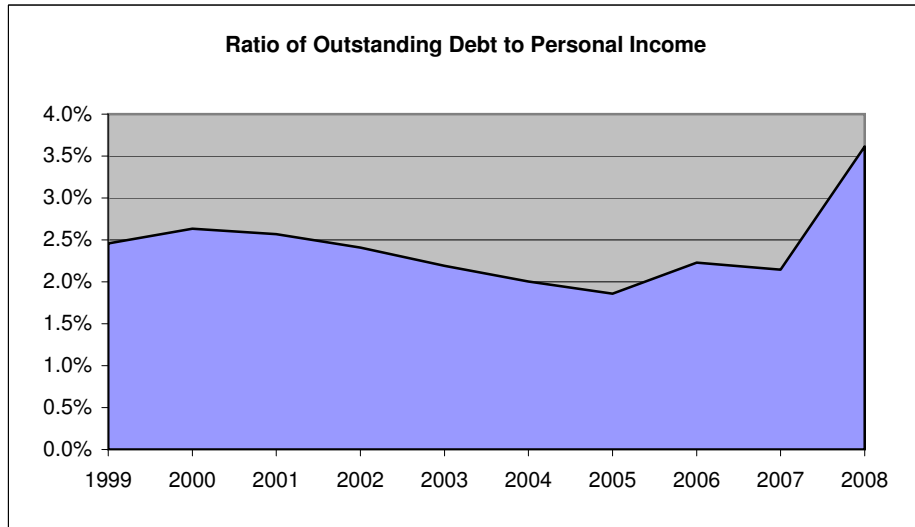
Source: This information was provided by the Charleston County Treasurers Office.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Certificates of Participation	Revenue Bonds	Capital Leases			
1999	66,890,000	90,295,471	-	26,159,529	19,505,000	-	202,850,000	2.5%	641
2000	84,625,000	86,248,700	-	25,106,300	18,645,000	-	239,731,300	2.6%	749
2001	110,400,000	78,048,825	-	22,691,175	17,740,000	-	228,880,000	2.6%	738
2002	106,850,000	74,816,433	679,887	21,583,567	16,790,000	-	220,719,887	2.4%	707
2003	101,745,000	71,416,680	1,415,624	20,418,320	15,785,000	-	210,780,624	2.2%	666
2004	100,755,000	71,254,819	1,306,196	13,365,181	14,525,000	-	201,206,196	2.0%	627
2005	97,535,000	66,992,312	3,636,998	12,542,688	13,280,000	-	193,986,998	1.9%	598
2006	153,448,297	62,427,073	3,474,081	11,065,789	11,723,994	-	242,139,234	2.2%	739
2007	146,394,774	57,631,034	3,873,002	10,231,634	10,491,229	-	228,621,673	2.1%	689
2008	373,504,430	52,628,009	2,947,139	9,356,755	9,194,837	-	447,631,170	3.6%	1,305

See the Schedule of Demographic and Economic Statistics for personal income and population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

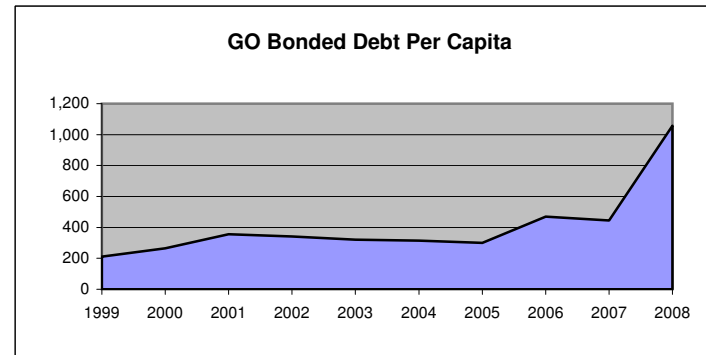
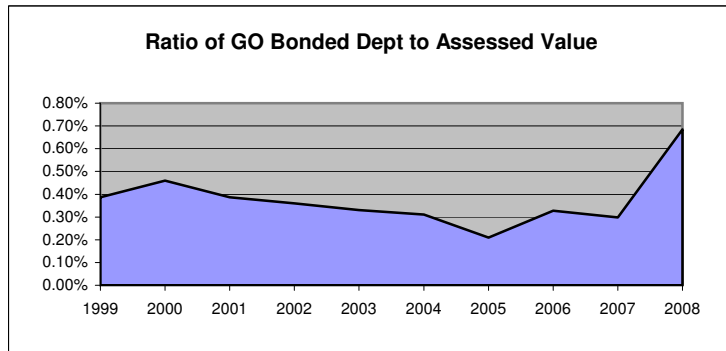
UNAUDITED

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>Gross G.O. Bonded Debt</u>	<u>Ratio of G.O. Bonded Debt to Assessed Value</u>	<u>G.O. Bonded Debt Per Capita</u>
1999	316,482	17,318,863,771	66,890,000	0.39%	211
2000	319,921	18,410,141,885	84,625,000	0.46%	265
2001	309,969	28,595,317,583	110,400,000	0.39%	356
2002	312,365	29,666,989,206	106,850,000	0.36%	342
2003	316,611	30,851,205,551	101,745,000	0.33%	321
2004	321,014	32,425,619,687	100,755,000	0.31%	314
2005	324,224	46,536,987,902	97,535,000	0.21%	301
2006	329,482	47,282,058,031	155,025,000	0.33%	471
2007	331,917	49,446,157,317	147,470,000	0.30%	444
2008	342,973	52,960,945,426	362,730,000	0.68%	1,058

Note 1 Details regarding the County of Charleston's Outstanding Debt can be found in the notes to the basic financial statements.

Note 2 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the Property Value Data.

Note 3 See the Schedule for Demographic and Economic Statistics for population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF TOTAL TAX SUPPORTED DEBT TO
ASSESSED VALUE AND TOTAL TAX SUPPORTED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

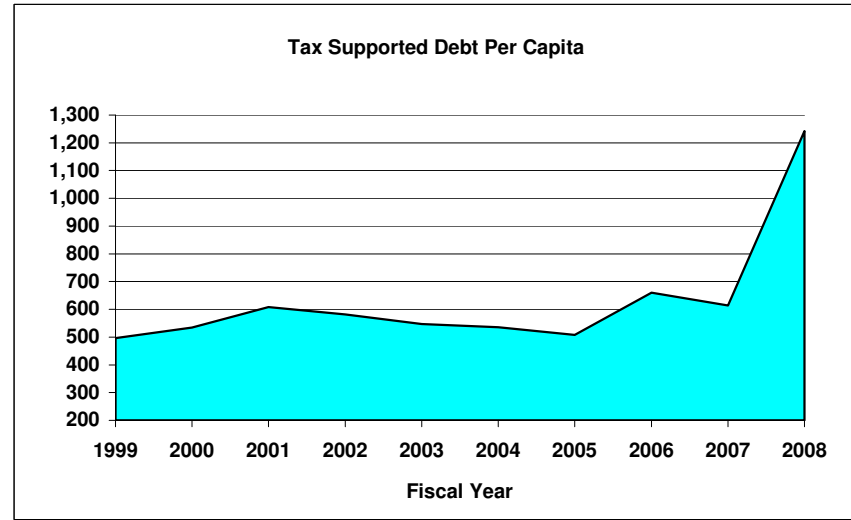
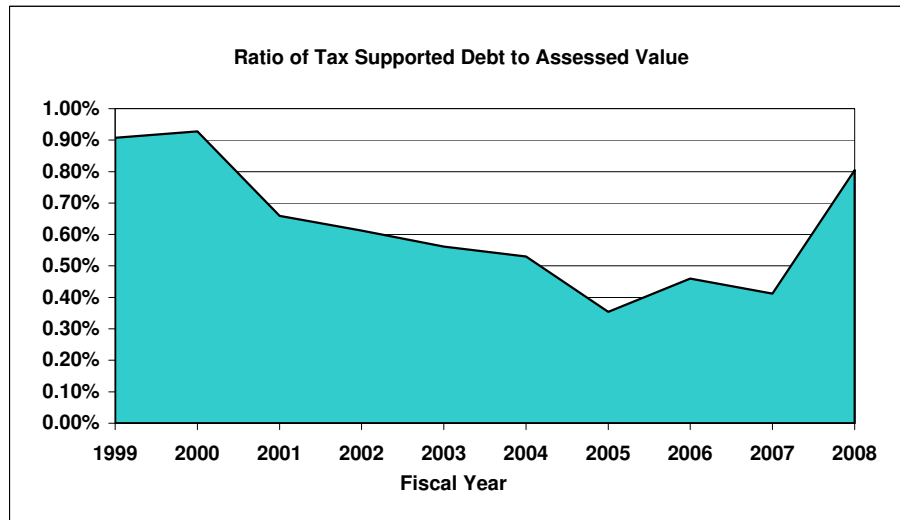
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	General Obligation Bonds	Certificates of Participation	Capital Leases	Net Tax Supported Debt	Ratio of Tax Supported Debt to Assessed Value	Net Tax Supported Debt Per Capita
1999	316,482	\$ 17,318,863,771	\$ 66,890,000	\$ 90,295,471	\$ -	\$ 157,185,471	0.91%	\$ 497
2000	319,921	18,410,141,885	84,625,000	86,248,700	-	170,873,700	0.93%	534
2001	309,969	28,595,317,583	110,400,000	78,048,825	-	188,448,825	0.66%	608
2002	312,365	29,666,989,206	106,850,000	74,816,433	679,887	181,666,433	0.61%	582
2003	316,611	30,851,205,551	101,745,000	71,416,680	1,415,624	173,161,680	0.56%	547
2004	321,014	32,425,619,687	100,755,000	71,254,819	1,306,196	172,009,819	0.53%	536
2005	324,224	46,536,987,902	97,535,000	66,992,312	3,636,998	164,527,312	0.35%	507
2006	329,482	47,282,058,031	155,025,000	62,427,073	3,474,081	217,452,073	0.46%	660
2007	331,917	49,446,157,317	146,394,774	57,361,034	3,873,002	203,755,808	0.41%	614
2008	342,973	52,960,945,426	373,504,430	52,628,009	2,947,139	426,132,439	0.80%	1,242

Note 1 Details regarding the County of Charleston's Outstanding Debt can be found in the notes to the basic financial statements.

Note 2 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the Property Value Data.

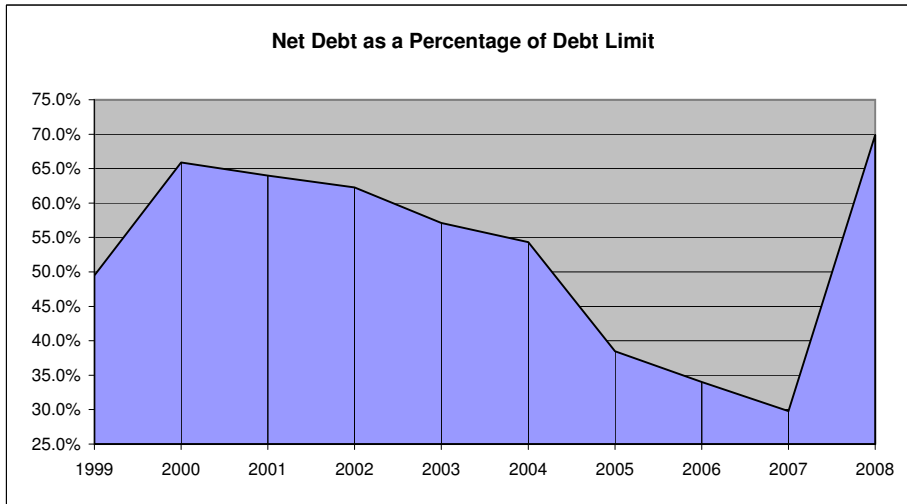
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

UNAUDITED

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$ 86,152,901	\$ 92,332,405	\$ 136,653,408	\$ 135,820,190	\$ 140,476,777	\$ 144,634,276	\$ 195,786,861	\$ 205,995,772	\$ 216,723,669	\$ 235,740,344
Total Net Debt Applicable to Debt Limit	42,640,000	60,875,000	87,400,000	84,600,000	80,245,000	78,558,957	75,338,957	69,974,368	64,575,697	136,260,341
Legal Debt Margin	43,512,901	31,457,405	49,253,408	51,220,190	60,231,777	66,075,319	120,447,904	136,021,404	152,147,972	99,480,003
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	49.5%	65.9%	64.0%	62.3%	57.1%	54.3%	38.5%	34.0%	29.8%	57.8%



Legal Debt Margin Calculation for Fiscal Year 2008

Total Assessed Value	\$ 2,946,754,302
Debt Limit (8% of Total Assessed Value)	235,740,344
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	362,730,000
Less: Debt Issued Through Referendum	(226,469,659)
Total Amount of Debt Applicable to Debt Limit	<u>136,260,341</u>
Legal Debt Margin	<u>\$ 99,480,003</u>

Note: Article ten X, Section fourteen (14) of the South Carolina Constitution of December 1, 1977, as amended, provides that no government shall incur any bonded debt which shall exceed eight percent of the assessed value of the property therein without voter approval.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
 PLEDGED REVENUE COVERAGE
 REVENUE BOND COVERAGE
 SOLID WASTE ENTERPRISE FUND**

UNAUDITED

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	\$ 28,909,220	\$ 21,133,135	\$ 7,776,085	\$ 820,000	\$ 1,202,498	\$ 2,022,498	3.84
2000	30,313,065	21,292,411	9,020,654	860,000	1,153,540	2,013,540	4.48
2001	30,937,885	23,767,198	7,170,687	905,000	1,101,599	2,006,599	3.57
2002	30,482,043	24,733,210	5,748,833	950,000	1,053,880	2,003,880	2.87
2003	30,172,896	23,621,983	6,550,913	1,005,000	1,002,579	2,007,579	3.26
2004	33,291,523	25,611,601	7,679,922	1,060,000	716,904	1,776,904	4.32
2005	34,588,461	27,570,465	7,017,996	1,161,955	703,308	1,865,263	3.76
2006	37,566,510	31,391,266	6,175,244	1,278,336	598,413	1,876,749	3.29
2007	40,753,403	29,554,141	11,199,262	1,232,765	344,985	1,577,750	7.10
2008	45,999,989	40,974,711	6,384,026	1,296,392	577,608	1,874,000	3.41

Note: 1 Details regarding the County of Charleston's outstanding debt can be found in the notes to the basic financial statements.

Note: 2 Gross revenues include interest, operating grants, and loss on disposal of fixed assets.

Note: 3 Total operating expenses are exclusive of depreciation and amortization.

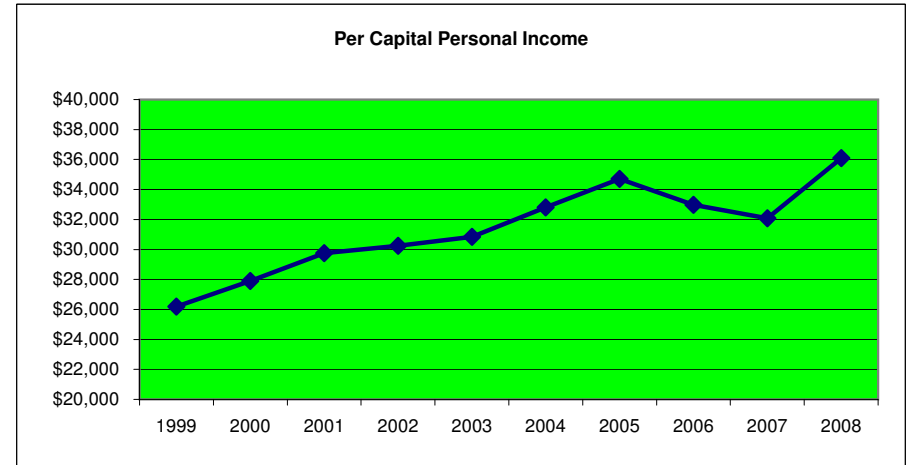
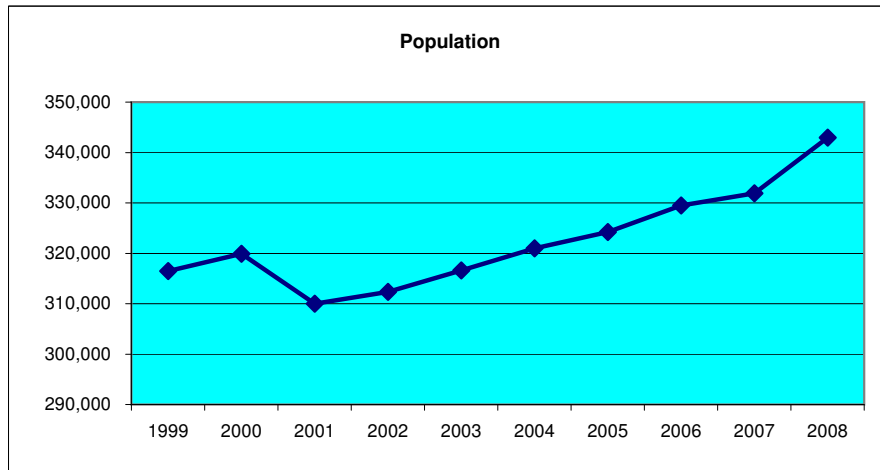
**COUNTY OF CHARLESTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment
1999	316,482	\$ 8,289,886,000	\$ 26,194	3.0%	31.6	43,443
2000	319,921	8,924,061,000	27,895	3.0%	31.8	43,212
2001	309,969	9,220,256,000	29,746	3.2%	31.9	41,864
2002	312,365	9,449,358,000	30,251	3.8%	33.9	41,830
2003	316,611	9,763,420,000	30,837	4.2%	34.5	43,783
2004	321,014	10,534,845,000	32,817	4.4%	35.3	41,870
2005	324,224	11,254,449,000	34,712	4.7%	35.5	41,912
2006	329,482	10,864,012,000	32,973	5.0%	36.2	48,500
2007	331,917	10,650,553,000	32,088	5.2%	36.0	43,247
2008	342,973	12,380,254,000	36,097	4.5%	36.0	42,488

The following Data Sources were used to develop this information:
 South Carolina Office of Research and Statistics
 Charleston County School District
 SClway - SC Internet Information Highway
 Charleston County Chamber of Commerce

Some of the statistics for Fiscal Year Ended June 30, 2004 and beyond are estimated from past year trend analysis.



**COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

UNAUDITED

County Employment for 2008	161,459
County Employment for 1999	155,627

<u>Employer</u>	2008			1999		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Medical University of South Carolina (MUSC)	10,000	1	6.19%	8,200	1	5.27%
Charleston Air Force Base	6,150	2	3.81%	5,292	2	3.40%
Charleston County School District	5,400	3	3.34%	5,000	3	3.21%
Roper St. Francis Healthcare	3,400	4	2.11%	4,000	4	2.57%
Piggly Wiggly Carolina Co. Inc.	2,500	5	1.55%	2,447	5	1.57%
Charleston County	2,100	6	1.30%	2,136	7	1.37%
Force Protection, Inc.	1,800	7	1.11%	-		-
City of Charleston	1,700	8	1.05%	1,312	9	0.84%
Trident Medical Center (Trident Health System)	1,600	9	0.99%	-		-
College of Charleston	1,200	10	0.74%	-		-
Mead Westvaco	-		-	2,049	6	1.32%
Wal-Mart	-		-	1,564	8	1.00%
Cummins Engine Division	-		-	866	10	0.56%
Totals	35,850		22.19%	32,866		21.12%

Source: Charleston Metro Chamber of Commerce, Center for Business Research.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	464.59									
County Council	-	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Administrator	-	5.00	5.00	5.00	5.00	7.00	7.00	7.00	7.00	7.00
Assessor	-	49.00	49.00	44.00	44.00	44.00	47.00	47.00	47.00	49.00
Auditor	-	31.00	31.00	31.00	31.00	30.00	30.00	30.00	29.00	29.00
Budget	-	6.00	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00
Capital Projects Admin.	-	20.00	20.00	20.00	20.00	17.00	17.00	17.00	16.00	14.00
Chief Deputy Administrator	-	17.00	14.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Chief Financial Officer	-	-	-	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Chief Support Officer	-	-	-	-	-	-	-	-	3.00	3.00
Controller	-	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Delinquent Tax	-	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Elections/Voter Registration	-	8.50	8.50	8.50	8.50	8.50	10.00	10.00	10.00	10.00
Facilities Management	-	-	-	-	-	70.00	70.00	70.00	63.00	63.00
Grants Administration	-	13.25	13.25	13.25	12.25	11.25	11.25	11.25	9.75	9.75
Human Resources	-	16.00	16.00	16.00	15.00	14.00	14.00	14.00	14.00	14.00
Internal Auditor	-	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	-	153.80	157.40	156.00	149.60	77.60	76.60	72.60	68.60	68.60
Legal	-	5.84	5.84	5.84	5.56	5.56	5.56	5.56	6.56	6.42
Legislative Delegation	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Organization Development	-	-	-	-	-	-	-	-	4.00	4.00
Planning	-	24.00	24.00	25.00	25.00	25.00	25.00	26.00	24.00	24.00
Procurement Services	-	16.00	17.00	16.00	15.00	15.00	15.00	15.00	16.00	16.00
Radio Communications	-	2.00	2.00	3.00	3.00	3.00	3.00	3.00	-	-
Register Mesne Conveyance	-	29.25	30.00	30.00	30.00	30.00	30.00	30.00	33.00	33.00
Revenue Collections	-	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	22.00
Safety & Risk Management	-	3.00	3.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Technology Services	-	-	-	10.00	13.00	13.00	8.00	9.00	17.00	17.00
Treasurer	-	19.00	19.00	20.00	19.00	18.00	18.00	18.00	18.00	18.00
Other (No Longer Used)	-	1.75	7.00	6.00	6.00	-	-	-	-	-
Total General Government	464.59	468.39	475.99	476.59	468.91	457.91	456.41	454.41	455.91	471.77

(CONTINUED)

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety	848.31									
Building Services	-	22.00	21.00	23.00	22.00	21.00	21.00	22.00	22.00	22.00
Emergency Management	-	7.00	8.00	7.00	7.00	6.00	20.00	25.00	27.00	30.00
Emergency Medical	-	160.00	164.00	168.00	167.00	170.00	161.00	169.00	174.00	174.00
Planning	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Sheriff	-	665.31	673.31	674.31	702.31	741.31	777.31	779.31	780.31	792.31
Other (No Longer Used)	-	-	-	1.00	-	-	-	-	-	-
Total Public Safety	848.31	855.31	867.31	874.31	899.31	939.31	980.31	996.31	1,004.31	1,020.31
Judicial	213.41									
Clerk of Court	-	53.00	54.00	54.00	53.00	53.00	53.00	53.00	54.00	54.00
Coroner	-	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Magistrates Courts	-	66.11	67.36	67.89	67.89	67.89	68.89	70.41	70.41	70.41
Master-In-Equity	-	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Probate Courts	-	18.30	18.30	18.30	19.30	19.30	19.30	19.30	19.30	20.30
Solicitor	-	67.00	72.00	74.00	77.00	79.00	79.00	81.00	88.00	91.00
Total Judicial	213.41	215.41	223.66	226.19	229.19	231.19	232.19	235.71	243.71	249.71
Public Works	275.00									
Business License User Fee	-	12.00	12.00	12.00	11.00	11.00	12.00	12.00	13.00	-
Chief Deputy Administrator	-	-	-	-	-	-	-	1.00	1.00	1.00
Public Works	-	174.00	174.00	173.00	162.00	159.00	159.00	161.00	168.00	176.00
Solid Waste	-	131.00	131.00	131.00	127.00	126.00	126.00	126.00	126.00	128.00
Total Public Works	275.00	317.00	317.00	316.00	300.00	296.00	297.00	300.00	308.00	305.00

(CONTINUED)

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Health and Welfare	248.25									
DAODAS	-	181.50	169.50	170.50	125.00	131.00	131.00	131.00	133.00	137.00
Facilities Management	-	-	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Grants Administration	-	33.75	20.75	20.75	18.75	25.75	25.75	25.75	26.25	36.25
Public Works	-	29.00	29.00	29.00	26.00	24.00	24.00	24.00	23.00	23.00
Veterans Affairs	-	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00
Other (No Longer Used)	-	-	-	-	-	-	-	-	-	-
Total Health and Welfare	<u>248.25</u>	<u>248.25</u>	<u>224.25</u>	<u>225.25</u>	<u>175.75</u>	<u>185.75</u>	<u>185.75</u>	<u>185.75</u>	<u>187.25</u>	<u>202.25</u>
Culture and Recreation	214.00									
Business License User Fee	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Planning	-	-	-	-	-	-	-	-	1.00	1.00
Total Culture and Recreation	<u>214.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>4.00</u>	<u>1.00</u>
Economic Development	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	3.00
Total Economic Development	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>1.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>3.00</u>
Total	<u>2,265.56</u>	<u>2,109.36</u>	<u>2,113.21</u>	<u>2,123.34</u>	<u>2,077.16</u>	<u>2,115.16</u>	<u>2,156.66</u>	<u>2,177.18</u>	<u>2,205.18</u>	<u>2,253.04</u>

Source: Charleston County Budget Department

Note: 1 Includes the Authorized Full Time Employees for both Government and Business-type Activities

Note: 2 The detail information available prior to Fiscal Year 2000 does not provide for a viable comparison within the functions.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

UNAUDITED

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Auditor - Tax Notices Processed	223,000	492,000	506,960	530,520	503,520	520,000	545,000	600,000	590,283	521,701
RMC Documents Recorded	100,000	104,525	105,000	110,000	143,674	142,244	143,500	147,569	133,772	116,770
Zoning Applications Processed	-	2,804	3,051	3,000	2,761	3,340	3,400	3,741	3,336	3,266
Illegal Businesses Located	-	-	567	563	982	998	831	714	278	346
Public Safety										
Building Inspections Performed	15,000	17,586	18,016	18,000	15,965	18,323	22,563	28,191	23,702	22,519
Bad Check Warrants Served	-	6,103	5,633	5,280	2,632	2,432	7,107	3,774	6,124	6,194
Daily Costs Per Prisoner	-	30	31	32	33	40	40	40	40	55
Judicial										
Marriage Licenses Issued	4,230	5,161	5,200	4,800	2,275	2,429	3,712	3,733	3,877	3,769
Master-in-Equity Cases Disposed of	-	771	605	640	833	1,323	1,248	718	998	1,390
Health and Welfare										
Veterans Claims Filed	7,100	7,134	7,200	7,300	7,318	7,438	8,505	8,038	9,215	9,215
Economic Development										
Number of New Companies Relocating to Charleston	-	-	-	-	2	5	6	2	7	3
Number of New Jobs From Relocating Companies	1,000	840	165	166	1,016	223	1,929	708	293	220
Culture & Recreation										
Library Visits Per Capita	5.52	4.68	5.00	5.00	5.26	5.50	5.60	6.21	6.38	6.66
Library Cards In Use	-	243,570	265,675	265,955	309,033	247,821	277,688	305,320	329,189	359,036
Solid Waste										
Total Tons of Incinerated Waste	222,580	220,115	215,542	220,000	220,000	230,673	222,108	227,383	227,514	211,907
Parking Garages										
Average Operating Revenue Per Space	-	1,226	1,198	1,106	1,032	1,124	1,384	1,623	1,777	1,914
Average Operating Expenditure Per Space	-	587	569	781	1,059	1,091	685	945	767	983

Sources: Charleston County Budget Performance Measures

Note: Some of the operating indicators have not been documented for a full 10 years.

**COUNTY OF CHARLESTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Automobiles	0	0	0	56	60	70	77	80	84	91
Buildings	0	0	0	21	21	21	28	28	28	44
Public Safety										
Police Cars	0	0	0	112	149	197	231	290	325	316
Fire Trucks	0	0	0	0	0	6	7	8	11	11
Ambulances	0	0	0	0	0	0	17	23	24	28
Judicial										
Magistrate Courts	0	0	0	13	14	14	14	14	15	15
Public Works										
Paved Streets (in Miles)	0	0	0	0	124	163	186	195	132	129
Ground Equipment	0	0	0	30	31	32	33	43	51	62
Heavy Trucks	0	0	0	17	20	21	21	25	29	35
Solid Waste										
Collection/Refuse Trucks	0	0	0	17	20	23	27	33	37	45
Ground Equipment	0	0	0	10	11	13	13	16	19	24
Culture & Recreation										
Libraries, Main and Branches	0	0	0	16	16	16	16	16	16	16

Note 1. GASB 34 was implemented in fiscal year 2002; detailed capital asset information not available prior to that fiscal year.

Note 2. Town of James Island was created in 2007 creating a decrease in county owned infrastructure.

Note 3. Some indicators have been added through the years. Their number start in the year they were added.

Note 4. There was a review of buildings in fiscal year 2008 that reorganized the buildings and assigned more to the general government.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
USER FEE RATE HISTORY
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Residential		Non-Residential	
	Single Family Residences (1)	Multi-Family Residences (2)	One-half Cubic Yard or Less Per Week (3)	More Than One-half Cubic Yard Per Week (4)
2008	99	70	86	172
2007	89	63	78	155
2006	89	63	78	155
2005	89	63	78	155
2004	89	63	78	155
2003	89	63	78	155
2002	89	63	78	155
2001	89	63	78	155
2000	89	63	78	155
1999	89	63	78	155

(1) Per residence.

(2) Per unit.

(3) Per property.

(4) Per average number of cubic yards per week.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
USER FEE BILLING HISTORY
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	User Fee Billed	User Fee Revenue	User Fee Applied to Payment of the Disposal Fee	User Fee Applied to Other Purposes	Net Unused User Fee	Year End Working Capital Balance (A)
1999	\$ 18,810,183	\$ 18,615,860	\$ 5,952,212	\$ 7,604,711	\$ 5,058,937	\$ 25,601,068
2000	19,233,423	18,924,112	698,808	8,289,193	4,536,111	30,137,179
2001	20,159,507	20,212,264	6,897,169	8,430,582	4,884,513	35,021,692
2002	20,135,112	20,212,756	7,936,098	6,939,688	5,336,970	40,358,662
2003	21,093,317	20,689,423	7,006,550	11,517,490	2,165,383	42,524,045
2004	21,547,735	21,321,884	4,868,276	7,286,315	9,167,293	51,691,338
2005	22,808,943	21,802,327	6,347,904	22,689,167	(7,234,744)	44,456,594
2006	23,203,440	21,464,636	9,086,077	21,138,074	(8,759,515)	35,697,079
2007	23,539,944	23,174,604	10,636,050	10,159,150	2,379,404	38,076,483
2008	26,840,075	26,229,892	9,718,296	11,843,919	4,667,677	42,744,160

(A) Working capital balance net of revenue bond related funds.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
DISPOSAL FEE HISTORY
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Gross Disposal Fee Trust			Sources Used To Pay Disposal Fee Trust					
	Incinerator Operations	Debt Service	Total Disposal Fee	Steam Sales (1)	Electric Sales	Equity Payment	Interest Income	User Fee Applied to Disposal Fee	Total Sources Used to Pay Disposal Fee
2008	\$ 10,676,239	\$11,865,294	\$ 22,541,533	\$ 5,984,861	\$ 5,312,276	\$ -	\$ 438,619	\$10,805,777	\$ 22,541,533
2007	10,217,188	11,523,258	21,740,446	3,772,500	5,787,124	-	1,544,772	10,636,050	21,740,446
2006	9,742,483	10,015,279	19,757,762	3,430,833	4,698,308	-	1,782,440	9,846,181	19,757,762
2005	7,910,814	7,326,349	15,237,163	3,634,265	4,493,514	-	761,480	6,347,904	15,237,163
2004	7,719,190	5,769,142	13,488,332	3,498,333	4,856,830	-	263,893	4,868,276	13,487,332
2003	7,849,844	6,064,112	13,913,956	3,363,333	3,329,393	-	214,680	7,006,550	13,913,956
2002	8,364,178	6,518,299	14,882,477	3,302,912	3,288,578	-	354,889	7,936,098	14,882,477
2001	6,902,651	6,206,723	13,109,374	2,959,441	2,730,311	104,167	418,286	6,897,169	13,109,374
2000	6,849,886	6,271,086	13,120,972	3,595,295	2,547,428	437,500	441,941	6,098,808	13,120,972
1999	6,862,392	5,692,091	12,554,483	3,197,637	2,187,468	804,167	412,999	5,952,212	12,554,483

(1) In April 1996 the United States Navy closed its base in Charleston, South Carolina.
Since that date the Navy has been making the minimum required payments under the Navy Steam Agreement.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
KEY FACILITY OPERATIONAL DATA (1)
SOLID WASTE ENTERPRISE FUND**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
MSW Processed (tons)	221,068	211,541	212,620	200,682	209,896	207,249	230,673	225,005	226,163	222,110
Ash Generated (wet tons)	54,348	56,127	53,890	54,920	55,813	55,013	55,643	55,700	58,557	58,335
Ash Generation Rate (percent of MSW)	24.6%	26.5%	25.3%	27.4%	26.6%	26.5%	24.1%	24.8%	25.9%	26.3%
Boiler Availability (percent of time)										
Unit A	86.8%	89.3%	89.3%	82.4%	80.3%	87.5%	91.5%	89.6%	89.5%	88.6%
Unit B	90.1%	90.7%	90.6%	84.5%	81.7%	84.9%	94.5%	89.6%	91.7%	86.0%
Facility Utilization (percent of design steaming rate)	86.4%	90.5%	90.5%	84.7%	80.6%	87.2%	95.5%	92.4%	93.9%	91.2%
Steam Sales (Mlbs)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Electricity Sales (MWh)	42,580	45,893	49,168	49,908	54,826	66,557	72,767	66,106	69,853	67,027

(1) Facility Operating Years from December 1 through November 30 of the year listed.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FINANCIAL ASSURANCE COVERAGE
MUNICIPAL SOLID WASTE LANDFILL FACILITIES**

LOCAL GOVERNMENT FINANCIAL TEST:

1. Financial component:

- A. Bond rating requirement: Investment grade bond rating of no less than BBB.
The County's current general obligation bond ratings are:

Moody's Investors Service	Aa1
Standard & Poors Corporation	AAA
Fitch, Inc.	AA

- B. Financial ratio alternative:

The prescribed financial ratios computed under GAAP are:

1. Ratio of cash and marketable securities to total expenditures - Primary Government

Cash and cash equivalents	\$ 178,699,972	
Total expenditures	\$ 407,406,131	
Requirement is no less than 5%		<u><u>43.86%</u></u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 35,630,918	
Total expenditures	\$ 407,406,131	
Requirement is no more than 20%		<u><u>8.75%</u></u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 372,668,245	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 160,247,345

Total estimated closure and post-closure costs for County landfills:

Estimated costs from Note III.G. on landfill closure	\$ 42,237,005	
Less: Expenditures to date	\$ (22,564,005)	
Restricted assets committed to closure	<u>\$ (2,683,000)</u>	
Balance of closure costs being deferred		<u>\$ 16,990,000</u>
Additional permissible deferred cost		<u><u>\$ 143,257,345</u></u>



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